No.30,899

World News

Commission **US relaxes** warns UK of legal move on on personal water purity computers

The European Commission has promised to take court action against the UK in two months unless it abides by EC drinking water purity standards. Agreement on water standards is essential if the planned privatisation of water authorities in England Wales is to be a success. Page 18

Greek investigation Greece's new parliament voted investigate former socialist Prime Minister Mr Andreas Papandreou and four associates in connection with a financial scandal. Page 2

Polish food aid

The European Commission will ask EC farm ministers next week to approve food aid to Poland worth around \$120m, as part of a wider package of Western aid for the East European country.

Italian opposition

Italy's 49th post-war Government - likely to be formed over the next few days - will be the first to be confronted in parliament by an opposition government. Page 2

Pakistani unrest

Five people were killed and 14 injured in ethnic rioting in the southern Pakistani town

Indian adjournment Both houses of India's parliament were adjourned after persistent demands by opposition members for the resignation of Rajiv Gandhi. Page 4

Spanish killings

Suspected Basque guerrillas killed two army officers and wounded their driver in an attack in Madrid. Page 2

Kurds cross to Iran Turkish Foreign Ministry con-firmed that an unspecified number of Iraqi Kurdish refu-gees had crossed into Iran from camps in Turkey. Page 2

S Korean reshuffle South Korean President Roh Tae-woo sacked six ministers and the country's intelligence chief in a cabinet reshuffle. Page 4

Talks on boat people Talks are taking place between Vietnam and Britain on the repatriation of about 35,000 Vietnamese boat people now in Hong Kong. Page 4

US call on PLO talks Members of the US Congress outraged by a senior US diplomat's talks the founder of the Black September terrorist group, called for restrictions on with the Palestine Libera-

UK rail strike

tion Organisation. Page 3

Britain's National Union of Railwaymen called a sixth 24-hour rail strike following its rejection of an increased pay offer by the state-run railway.

Moon station plan President George Bush is con-

sidering proposals for a manned station on the moon and sending astronauts to Mars. Page 3

Sri Lankan attack Thirteen pilgrims were killed and at least 60 injured when suspected left-wing rebels attacked a religious procession in Sri Lanka.

Business Summary export curbs

US has relaxed curbs on the export of popular personal computers to western destinations, and is to press for easing of multilateral restrictions on sales to Soviet Union and Eastern Europe. Page 18

REFAAT El-Sayed, Egyptian-born immigrant who built up Formenta, Swedish antibiotics group, was sentenced in Stock holm to five years in prison for swindling investors, fraud and insider trading. Page 18 SOCIETE Générale de Surveil-lance (SGS), Swiss inspection

services group, has been shaken by resignations of its chairman, three directors and managing director. Page 19 **HOYLAKE**, investment vehicle for Sir James Goldsmith's £13bn takeover bid for UK's

BAT Industries, was put on defensive by a payments error in US. Page 19 BRITISH Aerospace, UK aircraft manufacturer, made agreed offer of \$450m for Arlington Securities, UK property development company.

INTER-American Developmes Bank president Knrique Igle-sias intervened in a dispute over the seizure by Citibank, US bank, of \$80m in Ecuadorean central bank deposits.

MINORCO, Luxembourg investment offshoot of South Africa's Anglo American mining group, acknowledged diffi-culties in gaining foreign acceptance for equity and its debt. Page 20

KUBOTA, Japanese construction equipment group, acquired a controlling interest in Nissan Motor Iberica, Span-ish subsidiary of Nissan. Page 24

FRENCH Government has launched a new sevings scheme with tax breaks and cash payments to non-taxpayers. Page 2

GREECE'S has asked Denison Mines, of Canada, for an exten-sion of 30 days to give it time for Denison's stake in North Aegean Petroleum Company (NAPC). Page 21

BRAZIL'S foreign debt negotia tors are visiting New York for talks with creditors, hoping for concessions to avert a mor atorium on interest payments.

UNITED Airlines, second largest US carrier, will begin flights to Frankfurt in an ambi tious transatlantic strategy.

TIME Inc, US broadcasting and publishing company plan-ning to merge with Warner Communications, reported modest improvements in earn-

ings and revenues. Page 19 TURKEY and Soviet Union reached agreement on second line of credit of \$150m to be made available by the Export Import Bank of Turkey (Exim-bank) to support Turkish exports. Page 6

NUKEM, scandal-plagued Wes German nuclear technology company, is suffering from the cost of closing down its activities in the radioactive fuel cycle. Page 21

JAPANESE shipbuilders fear US allegations of unfair gov-ernment support for the indus try could become the next big bilateral trade issue. Page 6

GENCOR, second largest South African mining house, reported higher revenues in its gold mines following year of cost-cutting and eliminating unprofitable workings.

FRENCH consumer prices rose by 0.1 per cent last month, tak-ing the rate of inflation over the past year down to 3.6 per

STOCK BIDICES

2,292.5 (+19.4)

1,903.2 (+19.9)

FT-A All Shared

LONDON MONEY

3-month interbank:

FT Ordinary:

FT-SE 100:

\$1,6195 (1.6265) OM3.08 (same) FFr10.45 (10.445) SFr2.5675 (2.67) Y230 (same) £ index 92.4 (92.3) New York Comex Aug \$369-3 (373.5) London: \$371.25 (same) N SEA OIL (Argus

MARKETS

New York & DM1,9007 FFr6.45 SFr1.6465 Y141,85 London: DM1,902 (1.8935) FFr6.4525 (8.4225) SFr1.847 (1.6415) Y141.95 (141.4) \$ Index 70.4 (70.4) Tokyo cłose: Y141.8 US LUNCKTINE

Fed Funds 91% 3-me Tresmry yield: 8.22% Long Bond: 1073

ylekt: 8.16% SELLING PRICE IN IRELAND 80p, IN MALTA 40c

1,170.28 (+0.9%) FT-A long glit yield index high coupon: 9.52 (same) New York ka DJ Ind. Av. 2,568,48 (+23,72) **Tokyo:** Nikkel 33,557.17 (+218.44)

closing 13}2% (13%)

Thursday July 20 1989 Khashoggi extradited to face fraud charges in US

By Roderick Oram in New York and Robin Pauley in London

MR Adnan Khashoggi, tha afternoon and be taken to Saudi Arabian arms des financier once reputed to be the world's richest man, was extradited from Switzerland yesterday to face fraud charges in the US involving Mr Ferdi-nand Marcos, former President of the Philippines.
Mr Khashoggi was arrested
in a Swiss hotel on April 18
and has been held in detention

in a Bern jail. He had fought against extradition but the order went into effect yesterday after he decided against appealing to the Swiss Supreme Court.

Accompanied by two Swiss

police officers, he was due to

Charges of racketeering and

He was originally charged last October by a New York grand jury with helping Mr Marcos and his wife Imelda use \$103m from the Philippines Treasury to frandulently buy Manhattan real estate and art for the Marcos's personal use. The three, plus six other de dants, are charged also with defrauding US banks of \$165m.

conspiracy were dropped yes-terday because they had no perallels in Swiss law. In the charges still standing allege, for example, that Mr Khashoggi submitted forged; backdated documents that land in New York yesterday

attempted to show he had bought assets from the Mar-coses before March 1986 when federal courts in New York barred them from transferring

properties.

The allegedly false documents cover various assets including paintings by Rubens, El Greco and Fraux Hals and a number of well-located buildings in Manhattan.

Mr Khashoggi, 53, is an old friend of Mrs Marcos and the charges involve his alleged role.

charges involve his alleged rule in helping to disguise the fact that the Marcoses were the true owners of four important properties in Manhattan. He has always strennously denied all the charges. The

arrest warrant for Mr Khashoggi was issued on March 24 by Ms Naomi Buchwald, a US magistrate, on the basis of charges filed on March 9 by the district court for the southern district of New York.

Mrs Marcos has already appeared in court in Manhat tan on related charges and was balled after Ms Doris Duke, the US tobacco heiress, put up a 15m surety. Mr. Marcos has not yet been arraigned because he is too ill.

The charges against Mr Khashoggi figure among a series put together by Mr Rudolph Gulliani, the former US attorney for Manhattan's

US consumer prices

southern district who is now running for governor. The charges against Mr Khashoggi also involve fraud and obstructing the course of US justice by, among other things, passing false documents to the US authorities via the French authorities.

Mr Khashoggi and the Marcoses are among a group of people uncovered by Mr Guili-ant's investigations who were operating myriad connected bank accounts around the world. The maximum penalty he faces if convicted is 20 years in jail for racketsering offences and 15 years in jail if found



Soviet miners warned strikes may threaten future of perestroika

By Quentin Peel In Moscow

MR Mikhail Gorbachev, the Soviet leader, warned yester-day of dire consequences for the Soviet economy and for the perestroika reform process from the mass miners' strike in Siberia and the Ukraine.

In a striking concession to the wave of unrest sweeping the country in protest at poor living conditions, he disclosed that roubles 10bn (\$15.8bn) had been set aside from reserves for the import of consumer goods - at least double the amount previously announced. The miners' strike was

reported last night to have brought 80 pits in the Donets coalfield in the Ukraine to a standstill - four times tha number on Tuesday. The strikers in the largest – and oldest - coalfield in the country seemed to be ignoring a string of concessions by the authorities on wages and working con-ditions, as well as a direct appeal from Mr Gorbachev and Mr Nikolai Ryzhkov, the Prime

There were some encouraging signs, however, of the beginning of a return to work in the Kuznetsk coal field in 150,000 strikers were reported to have gone back after a call from their strike committee to return to work.

Reuters news agency quoted government spokesman in the regional capital of Keremovo as saying that work had resumed at 20 of the 79 strikebound mines in Siberia and also expressing optimism that a return was imminent at

other pits in the region.

In the Ukraine, however, a
Soviet television report provided little indication of the
strike ending in that region.

Mr Gorbachev showed the deep anxiety of the Soviet leadership over the dispute when he warned about a threat to call a rail strike in sympathy from August 1.

"The country could find itself in such a aiustion that it would be necessary to think about which measures to take to ensure the situation did not get out of control," he said, hinting that tougher measures, including the possible use of force, might eventually be "Whether these comrades

like it or not, the current situa-tion could damage everything we are doing," he said in an unscheduled appearance at a session of the Supreme Soviet. He said that "emissaries with extremist and anti-social slogges have tried to make use of the tension and discontent of the workers." However, he praised the miners for behaving "in a responsible, organ-Soviet television last night showed a hard-hitting response

from striking miners. A min-ers' strike leader in Makey-evka, in the Donbass, said the situation was under control. "There is absolutely no danger of political instability," he said. "We have taken power

Mr Gorbachev's worries

about the wide range of eco-nomic dissatisfaction were apparent on Tuesday night at a

apparent on Tuesday night at a meeting of senior Communist Party officials when he warned that the party was losing touch with popular feeling.

The biggest single challenge facing the ruling party was to improve the economic situation. "The people's mood is extremely critical," he said. "The information coming from "The information coming from major industrial centres indi-cates the people's discontent." "We are trying to use all our

reserves. We have found rou-bles 10bn to spend on imported consumer goods, solving these urgent problems." He did not say where the money would be found for the amergency imports, but the amount appears to be twice the roubles '5bn which officials had earlier promised would be spent on imports such as shoes, knit-wear, soap and detergent, toothpasts and cassette tapes.

The immers strike has come on top of continuing ethnic disturbances in Soviet Central Asia and the Trans-Caucasus. Officials said yesterday that a curiew and "emergency situain the autonomous republic of Abkhazia in Georgia, where 16 have died and more than 160 been injured in clashes since

last weekend. However the situation there remains "extremely tense with meetings between rival nationalist groups continuing in many areas. Surprise elections, Page 2

% change over previous year.

Inflation slowdown lifts US markets

By Anthony Harris in Washington and Janet Bush in New York

US stocks and bonds rose us stocks and bonds rose tharply yesterday on the amnouncement that the main US inflation measure had rises less than had been expected in

June.
The Consumer price index figures led to hopes that there would an early further easing

monetary policy.

However, the US Federal
Reserve's operations in the
money market yesterday gave
ho kint that the central bank
had lowered its target for Fed Funds, the rate at which com-mercial banks lend to each other overnight, and both mar-kets slipped below their morn-ing highs.

ing highs.
At raidsession, the Dow Jones industrial Average was quoted 23.71 higher at 2,568.47, having gained more than 30 points in the morning.
The Treasury's benchmark lang band year about 1, notify long bond rose about & point Continued on Page 18

Agnelli and BSN buy into Italian cheese industry

By John Wyles in Rome and George Graham in Paris

IFIL, the Agnelli family holding, and BSN of France yesterday acquired Galbani, Italy's leading producer of cheeses, in a L2,241bn (31,65bn) deal that underlines growing international penetration of the Italian food processing

industry.
With their existing controlling partnerships in other Italian food and drink companies,
the Galbani acquisition may
well put Ifil-BSN at the top of the industry's sales league.

In will own 65 per cent and
BSN 36 per cent of the Milan-based company and Mr. based company and Mr.
Unberto Agnelli, the lift president, said last night that the
already satisfactory income
promised by the investment
"can only grow rapidly
through the existing synergies
between Galbani and BSN."
Galbani's sales last year — 30
per cent from cheeses with
soch well known braind names
as Dolcelatte and Bel Paese
— amounted to L1.550m and

- amounted to L1,450bn and net profits to L123bn, its own-ership hitherto is something of ership intherto is something of a mystery since it is being acquired from Kreditbank of Belgium, having previously been controlled by a network of Luxembourg-based compa-nies belonging to unidentified shareholders.

The price being paid par-tially reflects Galban's Le00bn of total liquidity. III said yes-terday that its net share of the purchase – between L810bn and 1870bn - will be financed partly through a 1500bn capi-tal increase and partly by ceding 15 per cent of its investment company, Ifil

Partecipazione, to BSN for L150bn. The transaction will Lisobn. The transaction will take aix months to complete and short-term finance will be provided by Mediobanca, Italy's top merchant bank.

If coupled yesterday's announcement with the revelation that the holding company's capital increase would be used to allot "a significant charebolding" to a major insti-

chareholding to a major insti-tutional investor in the Per-sian Gulf area." His said later that the investor wished to remain anonymous for the time being, but it was not the Kuwait Investment Office, although the origin may be Kuwait or Saudi Arabia.

The company also said that the Galbani purchase would bring a better balance to its investment portfolio by reduc-ing the weight of its Hat hold-ing - close to 10 per cent of the motor group's ordinary shares - from 56 per cent to 30 per cent. Ifil's stake in Flat was hoosted to nearly 10 per cent in per cent. In a stake in rial was boosted to nearly 10 per cent in late 1986 when it took part of the 15 per cent stake in the Turin group which was sold by the Libyan government. In Paris BSN said its stake in

Galbani would give it access to the Italian company's distribu-tion network in Italy, with some 120,000 points of sale, and to its cheese technology, espe-cially in the field of mozzarella. The French group is already the world's leading dairy prod-ucts company, especially in yoghurt with its Gervais and Danone brands. It said yester-day that it believed mozzarella had a strong potential for Continued on Page 18

(±) ar

Commission accepts British offer on Rolls shareholding

By William Dawkins in Brussels and John Thornhill in London

Right-winger Franz Schönhuber, scourge

of West German poli-

tics, has driven a rhe

torical swathe through

ling many bottled-up

emotions about the

past into a potent

political force

Agriculture . Arts-Reviews World Guid

19,21

19,22

cape by channe

the parliamentary

THE European Commission yesterday accepted the UK Government's offer nearly to double the 15 per cent foreign shareholding limit in Rolls-Royce, the privatised acro-engine group. However it reserved the right to take legal action against unfair curbs on investment.

The deal, settled at yester-day's weekly meeting of the Commission, ends more than a year's wrangling between Lon-don and Brussels over the extent to which EC internal market rules allow Britain to limit non-UK investment in ies involved in national

security.

The agreement allowe Britain to keep foreign shareholdings in Rolls-Royce below 29.5 per cent, as against the 15 per cent ceiling set at its privatisation in 1987.

Mr Martin Bangemann, the EC's industry commissioner, is expected to send a letter in the next few days a Lord Young

the UK's Trade and Industry . ket rules. Brussels was only Secretary, informing him of prepared to let them continue CONTENTS

Schönhuber stokes up

his steamroller

the Commission's acceptance of the proposal.

Rolls-Royce said it had not been informed of the decision and therefore could not give an official reaction. However, it welcomed the proposal in prin-

the Government will apply the same conditions to British Acrospace, which also had a 15 per cent foreign investment limit, although the Commission did not formally challenge BAe's shareholding rules. No other UK privatisations are affected, say British officials.
The Commission will reas-

sess the new limit before the end of 1992, or earlier if non-UK investors encounter serious problems buying Rolls-Royce shares. British officials were yesterday satisfied that the accord had removed the immediate threat of legal action against Rolls-Royce. Commission officials said that even the new lighter curbs contravened EC internal mar-

because of Rolls-Royce'a involvement in UK national security, they said. West German and Belgian

investors complained to the Commission last year after being forced to sell Bolls-Reyce shares at a loss having broken the limit. This contravened EC rules against unfair restrictions on Community citizens' rights to own property in any member state, they said. Before the limits can be

raised, both companies will have to win shareholders' approval.

BAe suggested that the extraordinary general meeting on August 15 to approve the acquisition of Arlington Securities could be an appropriate time to consider the amend-

ments.

BAe's share price closed up
20p at 741p, although this
mainly reflected the acquisition of Arlington Securities. Rolls-Royce firmed 6p to

194%p. BAe hids for Arlington Secu-

rities, Page 27

Na Tremors over foreign exchange fram Exiles watch despairingly from the side

Pakistan: The last brewery - hangover from

Italy: Communists form an alternative

Editorial comments Lord Mackay holds firm; Electoral change in Mexico ...

Financial Futures 49 Obsection Gold 32 Raw International bonds 34,26 Stoel Intl. Capital Markets 34,26 William 17 Lex 18 Tech Lomberd 25 Unit Management 12 West Money Markets 40 Worl

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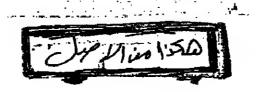
Source: Micropal, offer to bid, net income reinvested 1.4.88 – 3.7.89. Consistent returns like this - plus innovations like our range of Index Tracker Trusts; UK Tracker, US Tracker and Japan Tracker and the launch of our PEP Mortgage Scheme have attracted £100m of investment. They have also attracted the Sunday Telegraph's 1988 Smaller Unit Trust Group of the Year award and the PIMS 1989 Fund Management Group of the Year award. An The Morgan Grenfell 1989 PEP is now available on our UK Equity Income Trust, UK Equity Index Tracker Trust and Managed Fund.

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EUROPEAN NEWS

French plan to encourage private savings unveiled

By George Graham in Paris

has launched a new savings scheme with tax hreaks and cash payments to non-taxpayers, designed to help low-income households build np a

The Plan d'Epargne Populaire, or PEP, will be presented to Parliament in this autumn's finance bill and should come into operation at the beginning of next year. It is designed to replace the last right-wing Government's Plan d'Epargne Retraite, or PER. Where the PER favoured

higher rate taxpayers and attracted mostly those who were at or near retirement, the PEP is intended to restore the balance in favour of lower income households. "Our aim is to encourage French savings, to reduce social inequalities and to allow the most modest households to create a nest egg, said Mr Pierre Bérégovoy, Finance Minister. It requires the investor to sign a 10-year renewable con-tract for savings of at least

THE FRENCH Government FFr2,400 (£230) a year. The has launched a new savings savings can accumulate free of tax over the life of the contract, but withdrawals will be taxed at a declining rate, hecoming tax-free after eight years. The overall limit on the is a capital of FFr600,000 at the end of 10 years.

The type of investment itself will be up to financial services companies and their customers; the PEP is not aimed specifically at encouraging equity investment, as the now defunct "Monory" savings plans were.
The innovation in the PEP is that households which do not

pay income tax (more than 10m, since the threshold for income tax is very high hut rates thereafter climb steeply) will receive a cash bonus from the Government amounting to a quarter of their savings, up

to FFr1,500 a year.
Mr Bérégovoy says the budget cost will not be considerable: around FFribn for the cash honuses, on the hypothe-sis that some 1.5m non-taxpay-ers sign PEPs. Against this, the Government will save the approximately FFr4bn in tax breaks it gives out on the PER. He added that the PEP was not intended to replace the pay-as-yon-earn pensions sys-tem of the French social security, and that he was considering other forms of mutual savings to provide complemen-tary retirement income.

Less clear, however, is whether the PEP will in fact encourage new investments, or simply add to the panoply of tax exemptions and privileges with which France has tried over the years to tempt its citizens into saving.

Despite a range of tax-free instruments that includes post office savings books paying 4.5 per cent, "popular" savings books paying 5.5 per cent and home savings plans paying 6 per cent, the overall savings rate has declined from more than 20 per cent of total house. than 20 per cent of total household income a decade ago to a trough of 11.5 per cent in 1987, recovering only slightly last year to 12.2 per cent.

France sees a 0.1% rise in prices

By George Graham

FRENCH CONSUMER prices rose hy 0.1 per cent last month, taking the rate of down to 3.6 per cent, compared with 3.7 per cent in

May. Mr Pierre Bérégovoy, the Finance Minister, said that while France's inflation rate was higher over the past year than West Germany's, in the first six months of 1989 French

first six months of 1989 French
prices had risen by only 2.1
per cent, compered with 2.6
per cent for West Germany.

"This is a good result
because competitive disinflation is one of the keys of our
policy of enhancing growth
and creating more jobs," the
minister said. minister said. The modest rise in prices in

The modest rise in prices in June stemmed partly from a fall in petrol prices, which had risen rapidly in the first five months of the year, and partly from steady prices for manufactured goods and a slowing in price rises for services.

Insee, the state statistical office, also announced yesterday that industrial production had fallen by 2.2 per cent in May compared with the previous month, but stood at a level 4.6 per cent higher than a year earlier.

Scaling down of regional preference schemes urged

Satanic Verses a hit in France

THE FRENCH edition of The Satanic Verses, the Salman Rushdie novel condemned by Moslems as blasphemons, headed straight for the bestseller lists when it finally went on sale yesterday, Reuter reports from Paris. In little more than an hour

customers snapped up all 1,000 copies at one of the biggest bookshops in central Paris.

Security fears delayed publication in France and many stores were still afraid to stock

the book, which is banned in most Islamic countries. However, the higgest chain in France, the FNAC, looked unlikely to regret its decision

to sell. Leaders of France's three million Moslems have con-demned the book but extremists stopped making public death threats after receiving warnings from the Socialist

Schönhuber stokes up his steamroller

the basis for an alternative to Christian Democrat-dominated coalitions.

under the five-times Premier, Mr Giulio Andreotti - will be Speaking to the party's members of the European and Italian parliaments, Mr Occhetto claimed that the creation of a the first to be confronted in Parliament by a formal "shadow" government following an intriguing initiative

announced yesterday hy the Communist party (PCI). Mr Achille Occhetto, the par-ty's leader, yesterday announced a list of 21 "shadow opment now required "a sys-tem which works on the basis of clear alternative proministers" whose task is to scrutinise and criticise those in office and also to present alter-native Communist policies. It was an attempt, he said, to stress that, as the largest oppo-sition party, the PCI was deter-

By John Wyles in Rome

ITALY'S 49th post-war Government - likely to be

formed over the next few days

mined to be taken seriously as

shadow government recognise the inadequacy of the old political game as played in Italy.

The country's level of devel-

Much depends on how the PCI experiment works in practice, but it could, indeed, improve the level of political debate, although not without

Mr Occhetto is trying to hury the "association" tradi-tion of the past 20 years whereby the PCI, although per-manently in opposition, has been given a great deal of parliamentary scope to share powers of policy-making and appointments with the coali-tion Government of the day. If it emerges as an effective opposition, then the governing majority may well try to take away some of the power at its disposal. Moroever, the emer-gence of a real PCI opposition at a time when Mr Andreotti is

just about to form his sixth

Government carries consider-

By a Correspondent in Athens

GREECE'S new Parliament, at

the close of a dramatic two-day debate, voted early yesterday to set up a parliamentary com-

mission to investigate Mr

Andreas Papandreon, the Socialist former Prime Minis-

ter, and four close associates in connection with a financial

It was the first case in mod-ern Greek history of a Prime Minister being turned over by Parliament to a criminal inves-

tigation. The former ministers of public order, justice, the economy and finance – respectively Mr George Petsos, Mr Agamemnon Koutsoyorgas, Mr Panayotis Roumeliotis and Mr Panayotis Transported for the first f

Dimitris Tsovolas – were sin-gled out for investigation along with Mr Papandreou.

scandal.

PCI aims to build its image as alternative to Christian Democrat-led coalitions

Italian Communists form 'shadow' government

His two premierships from 1976 to 1978 were sustained by the PCI from outside the Government, but Mr Occhetto has made it clear over the past few

days that Mr Andreotti can expect no such help this time. The PCI leader was at pains The PCI leader was at pains yesterday to define the cornerstones of the Communist alternatives in foreign and domestic policy. For the former, he called for more determined Italian initiatives to hring about economic and political unity in the Eventuary Communication. unity in the European Commnnity, East-West arms reductions, Middle East peace, and the achievement of a "common European home" embracing the two halves of Europe.

Greek MPs vote to investigate

Papandreou over bank scandal

Some 171 of the 300 members of Parliament voted in favour

of a probe of Mr Papandreou, while 121 voted against — and three members of Mr Papan-dreou's own Panhellanic Socialist Movement (Pasok)

Analysts said this could portend further disarray in Pasok

before the next elections,

which are expected in October.

Last month's general election left no party with a clear majority, and a temporary Conservative-Communist coalition has been established to investigate majoractices under the

gate malpractices under the Socialists and prepare for a

Mr Petsos sought to differen-tiate his position from that of

his accused colleagues, by say-

abstained.

fresh ballot.

In domestic policy, the par-ty's priorities include a change in the electoral system so that the Italian people can actually choose between alternative pol-

icy programmes. lt also favours an "an environmental reconstruction of the economy", and a develop-ment of the south of Italy through a stronger attack on organised crime and infrastruc-

tural investments.

For the economy, he promised a "realistic" Communist programme for curbing budget deficits and the national debt which would reduce the annual deficit by three percent-age points of gross domestic product.

EC states 'should accept each other's professions'

By David Buchan in Brussels

THE 12 European Community states should promote labour mobility hetween themselves hy recognising the qualifications of each other's professions, the European Commission proposed yesterday.

The proposal, which must

get EC governments' approval, would complement the mutual recognition of higher education diplomas, agreed by the 12 in

It would also be of advantage to such as the legal and teach-ing professions.

mg professions.

The new plan, aimed at the far larger number of trades and professions practised by those with only secondary education, would allow an EC citizen to work in another EC state with contains any condition. out any condition - provided his professional training was either equal or superior to that required in his host

The host state, however, would still be able to demand some proof of professional experience or, alternatively, an aptitude test, from those with snorter or less rigorous training than its own. in this way, the Commission

is hoping to hypass the

yesterday proposed that Britain, West Germany, Italy and Greece should phase out,

or scale down, regional preference schemes in public purchasing which, Brussels claims, are both illegal and

The schemes, designed to

promote employment in poorer regions, should either be abol-ished and replaced by funding

from the European Social Fund, or solely devoted to help-ing small and medium size

The Commission suggests such companies, located in

poorer regions, could legally be

given preference in the award of smaller public

Current EC legislation

exempts public supply contracts below a value of Ecu

200,000 (£134,498) and public works contracts below Ecu5m from the requirement of being

open and advertised to bidders

tediously slow method of get-ting mutual recognition profes-sion-by-profession that characterised tha 1970s and early

in addition, the Commission yesterday proposed boosting to Ecu29m (£19.5m) for 1990-92 funding for its Eurotecnet programme to improve the training of workers to adapt to technological change. It also approved its first annual report on employment in the Commu-

Promised as part of the Commission's new social programme, the raport, to be released today, says: "There are serious doubts about the extent to which the current education and training systems are sufficiently geared up to to meeting the needs of the

It paints a generally gloom-ier picture of the EC labour market than that depicted when the Commission was first promoting the job-creating ben-efits of its internal market pro-

In particular, it calls for new stress on policies promoting social and regional

ment move, the Commission

decided yesterday to serve for-mal notice on the Danish gov-ernment that it will take court

action against it, if Copen-

hagen fails within a few weeks

to reconsider the recently-signed Dkr3hn (£250.4m) Jutland road and rail bridge

The Brussels complaint is

that the contract was awarded on the basis of tenders calling

for minimum local content in

Danish labour, equipment and

public procurement preference schemes, applied to Berlin and eastern frontler zones in West

Germany, to areas with nearly

one fifth of the population in the UK, to areas with 65 per

cent of the population in

Greece and to most of southern Italy had had little beneficial effect on these

The Commission claims the

George Petsos: feeling the political heat

PRESIDENT Gorbachev has announced sur-prise elections within the rul-ing Communist party, and called for a choice of candidates at every level, in a step

republics. Mr Gorbachev's assault on

his party came at a top level meeting of first secretaries from all the republics, regions and territories of the Soviet Union - just as Mr Boris Yeltsin, the most popular party

ORTHODOX East Germany, already sharply critical of the liberalisation process in Hun-gary, has told Moscow bluntly that political life in the Soviet Union faces a danger from forces "seeking to abolish socialism", writes Leslie Colitt in Berlin.

The warning, albeit tempered by a prediction that the Soviet reforms would, on balance, enjoy success, came from Mr Kurt Hager, the East German ideology chief, in the latest issue of the party journal Einheit. His comments, written before the current Soviet miners'

Moscow Communist Party leader and once junior politthe Supreme Soviet that 300 Deputies from throughout the country were joining the radi-cal group, dedicated to speed-ing perestroika, and to

For his part, Mr Gorbachev was open in his claim that "the

troika, and hence in society."
His move is a continuation
of the strategy begun by his

strike, follow repeated private predictions by officials that Mr Gorbachev's reforms could lead to economic and social chaos.

Mr Hager argued that President George Bush's stated desire to "eliminate" socialism called for the greatest vigilance. East Germany's front-line location required an "especially sharp" ideological struggle.

East Berlin said last month it was "greatly successed" by developments in Hungary which

concerned" by developments in Hungary which is introducing a multi-party system and plans free elections next year.

tions, ontdated methods and style of work." That included its role when

it "ruled over everything, con-trolled the state's industries, the ideology, replacing and suppressing evarybody and averything, bossing around state and industrial organs, and social organisations. The over the state corporations that were under his broad snpervision when he was Transport Minister. He also denied instructing

ing he had no effective control

any corporation to deposit funds with the Bank of Crete, the private bank that was once controlled by Mr George Koskotas, the former tycoon who is at tha centre of a \$200m embezziement scandal and is now in a US jail period.

100

ble extradition to Greece.

The coalition Government also intends to have Mr Papandreou and his associates investigated over other matters inclinding fraudulent grain sales, malpractices in arms procurement and illegal wire-

Surprise Soviet elections to purge Communist party

By Quentin Peel in Moscow

aimed at purging the party of its most conservative officials. He revealed the plan in his

most devastating criticism of the bureaucracy in the ruling party, and its failure to keep up with the pace of change in Soviet society.

He also announced that the crucial plenum of the party's central committee, to discuss ethnic relations and the constitutional relationship between the 15 republics, had been postponed from this month until September - apparently because of disagreements between the party leadership and the most nationalistic

rebel, announced the formation of an "opposition" group within the Congress of People's

Deputies. Mr Yeltsin, the former "counter the pressure put on the Parliament by conservative

party is essentially lagging behind the processes taking place in society. It threatens the party's leadership in peres-

month, which saw the sudden resignation of Mr Yuri Solovev, tha Communist party leader there, and the only member of the politburo to be defeated in last March's national elections to Congress.

"The people'e mood is extremely critical," Mr Gorba-chev said. "I got proof of that

in Leningrad. They refuse to tolerate inefficiency in Soviet industrial organs — and in party committees. We have got very little time left to change the situation." He insisted that the crisis was not "of the

party cannot and should not command over state and indus-trial organs and social organi-sations," he said. in another significant con-

cession to his party bosses, however, Mr Gorbachev agreed that they would not be com-pelled to stand for election as chairman of their local Soviets a challenge seen as a guar-antee of popular defeat.

On the other hand, Mr Gorbachev gave them a precise lecture on the need for multi-candidate elections in the party. He said the most efficient method of cadre policy, selection of the most capable peo-ple" had proved to be "the method of alternative candi-

In last year's party elections

— completed in December —
only half the secretaries of grass-roots organisations, and a handful of regional and district leaders, were elected in contested votes. Next month's elections appear to give the party's rank-and-file another chance to replace their local leaders with reformist figures.

Turkey denies 'dumping' Kurdish refugees

THE TURKISH Foreign through the hills. Ministry, after a waak of Turkish officials denied Ministry, after a waak of rumours and denials, yesterday confirmed that an unspecified number of Iraqi Kurdish refugees had crossed into Iran

retugees had crossed into Iran from camps in Turkey. The Tehran authorities, meanwhile, said 1,500 Iraqi Kurds who had been "forced" to leave to Turkey were found in the rugged border area over the past two days. The Iranian news agency Irna said one per-son died and two were injured as the refugee columns trudged

aches with plans to form a

loose coalition in the European Parliament with Mr Jean-Marie

reports that any of the 50,000 Kurds who fled into Turkey last September to avoid Iraqi bombardment had been trans-

truck under duress. These reports allege that refugees were then delivered across the ill-defined and remote mountainous horder into the hands of Kurdish Democratic Party (KDP) activists. The official Turkish version is that the missing refugees

ported to the border hy hus or

absconded while resting on a high plateau near their camp although there are no known Iraqi Kurdish refugee camps close to the Iranian bor-Iran took in some Iraqi Kurd-

ish refugees before closing its border last October, claiming it had no more room. Subsequantly, it claimed Turkey was still attempting to dump the refugees without permission.

• A Turkish military court yesterday convicted 395 defen-dants of leftist terrorist crimes

and sentenced seven of them to death, AP reports. in the mass trial of 694 defendants thet lasted seven years, the court sentenced 39 people to life imprisonment while 349 others received prison terms ranging from one to 21 years. The court

acquitted 299.

The defendants were accused of membership in an outlawed gang called Dev-Yol, which means Revolutionary Road. The charges included several political killings, attempted murders and armed robberies.



Schönhuber: off to a Bavarian mountain-top to do some thinking

door of his offices, strewn with campaign literature and staffed with amiable old ladies, has been freshly strengthened with a massive security lock and steel plating in case of attack.

His Republicans, formed in 1983, with 18,000 members and a power base concentrated in Bavaria, are hardly a mass movement. But, after strong election showings in Berlin and Hesse earlier this year, and the party's 2m votes in the European Parliament poli, he has seldom been out of the

headlines in recent weeks. He rejects allegations in the press and television of financial mis-demeanours over election expenses as part of what he calls an "anti-Schönhnber campaign" fostered hy the other parties and envious journalists. He admits, though, that if he is to avoid disappointing many of his followers, he will have to work very hard before the Republicans' party congress in November – probably in Sazr-hrdcken. "That's why, for three months, I am drawing beck from the public."

Eta blamed for shooting of two army officers By Tom Burns in Madrid

A SPANISH army colonel and a major were shot dead yesterday in Madrid when alleged members of the Basque separatist organisation, Eta, sprayed their staff car with automatic wearons close to a automatic weapons close to a hlock of army flats on the southern outskirts of the city.

The driver, a corporal, was critically injured.

The shooting, which brings to nine the number of deaths this year due to terrorism, came after a two and a half came after a two and a half month hill in terrorist activity that followed the Eta assassination in April of an army lieutenant in Bilbao.

That shooting followed the hreakdown of peace talks between the Government and the senaratist communication.

between the Government and the separatist organisation that had begun in Algiers at the begining of the year.

Recent news reports had indicated that senior government anti-terrorist officials had met secretly with individuals close to Eta to discuss renewing the neace talks. However, ing the peace talks. However, the possibility of a resumption was ruled out earlier this week by Mr Alfonso Guerra, the Deputy Prime Minister.

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The West German right-winger is pausing to plan his next moves, writes David Marsh HE NEW scourge of West German politics, Mr Franz Schönbuber, leans forward intently in his small white-walled office and

THE EUROPEAN Commission from all EC states.

yesterday proposed that In a separate public procure-

contract

of the crowds greeting Hitler.
"There was nothing so undig-nified," he says. "I was ashamed of us Germans." Allusions to the Führer and detrimental remarks about his own countrymen - come easily to the rasping tongue of

confides that the enthusiasm of

the West Germans welcoming Mr Mikhail Gorbachev on his visit last month reminded him

Mr Schönhuber, chairman of the Republicans.
In recent months, he has driven a rhetorical swathe through the parliamentary landscape by channelling many West Germans' ill-expressed, hottled-up emotions about the past into a pile-driving political force. Stuhby and 66. Mr Schönhuber is a man of intelligence and perception. He also possesses the rare, per-haps dangerous, ability of rousing a beer-hall audienca to

"There are two Schönhnbers," he expounds in an inter-view in his party headquarters in an unprepossessing Munich apartment hlock. "I can talk to you here, quietly and caimly. But I can also take the arena." Since the death last October of Mr Franz Josef Strauss, the swashhuckling Bavarian pre-mier, no established West Ger-man politician can match Mr huber for passionate, if

simplistic, extravaganza. His pinnacle came last month when the his party swept into the European Par-liament with 7.1 per cent of the votes - a score which, if repeated in the West German general election next year, could give them the balance of

power in the Bundestag.

Mr Schönhuber is a focus for simmering popular resentment about the post-war division of Germany. "My service has been to articulate relentlessly the unessiness of Germans. It is a very German feeling," he says. "Germans tend towards neuroses." He readily admits that his heady election suc-cesses this year raise the risk that the Republicans could run out of steam. He wrote to his party organisation on Monday to say that he would give no more public addresses until November 1. This will allow time to work out a detailed

campaign programme in a Bavarian mountain hide-away. He also wants to "intellectu-alise" the party by bringing in outside advisers, and to make it less of a one-man show. "I have told my friends that win-ning victories is difficult; hold-ing on to them is still

He has benefited so far mainly from protest votes, and now will have to come up with real policies in areas like the environment and social affairs

tougher." He concedes that he has benefited so far mainly from protest votes, and now will have to come up with real policies in areas like the envi-ronment and social affairs. A former television journalist, who once worked on a

Le Pen, the leader of France's far-right National Front. Ha met Mr Le Pen in Brussels on Tuesday for talks on co-operation. "Le Pen must accept that our priority is German reunifi-cation. And that, for a French-man, is a problem."

He brings to centre-stage a new, more assertive voice con-demning the country's "Ameri-canised" way of life, speaking up for German "interests" in the EC and demanding a lower-

Vehemently denying that he harbours Nazi sympathies, he calls the Third Reich criminal. Communist-backed newspaper, he terms his policies as "national" with left as well as "Losing the war has a price. But I don't want to say that it right-wing appeal. He prides would have been better if we had won. Then we would have himself on his support in inner city working class areas. Mr Schönhnber has heada European slave state. And the Germans would be the

Although a well-travelled man who was once married to a Hungarian Jewess and who boasted in his memoirs of his amorous liaisons in occupied France, he also possesses a streak of zenophobia. This is conceptrated on the foreigners flooding to West Germany to seek asylum - one of the fac-tors behind a growing accommodation shortage in cities like Munich. When a German marries, he

wants s flat. He cannot get one in Munich for less than DM1,200 (a month). And then ing of Allied military might on West German soil. he has to stand in a queue with A former soldier in the Wafseven or eight foreigners in front of him." He believes the gsp in West German sociaty between the two-thirds who are doing well and the onefen-SS who says he joined up out of "fascinatioo" for the war effort, he claims to represent the under-privileged in the country's rich, materialistic society. "Generally speaking, we are the party of the poorer third "have-nots" is a "social explosive." And he promises: "The formation of the next government will be decided by the ooe-third, not by the two-

The frequent breaking of heads at protest rallies outside his meeting halls evinces the fact that Mr Schönhuber excites great enmity as well as adulation. He seldom travels without a bodyguard. The front

صكنا من الاعل

claims to be the world's largest

Jewish organisation.

The American Jewish Con-

renounce terrorism in word

Mr Bush's foreign policy advisers were unaware — and subsequently disapproved — of the informal meetings between Mr Robert Pellstreau, the US ambassador in Turns, and Mr

Salah Khalaf, principal deputy to Mr. Yassir Arafat, and a founder of the terrorist group

which carried out the massacre of Israeli athletes at the 1972

Munich Citympics.

Mr Khalaf, whose nom de guerre is Abu Iyad, was implicated in the 1973 killing of the US ambassador to Sudan, and

s indicted last month in

Italy on charges that he had helped supply PLO arms to the Red Brigades.

attended several social gatherings with members of the PLO including Mr Khalaf – applied for permission to expand his dialogue. The application was granted by the State Department.

Mr Pelletresu - who had

By Lionel Barber in Washington

MEMBERS of Congress, outraged that a senior US dip-lomat recently held informal talks with the founder of the Black September terrorist group, are seeking restrictions on the Bush Administration's discussions with members of the Palestine Liberation Organ-

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The proposed restrictions amount to the first serious Congressional challenge to the administration's Middle East policy which rests, in the short-term, on persuading the PLO to back Israel's plan to hold elections in the occupied West Bank and Gaza Strip.

The Senate legislation - in the form of an amendment to the State Department authorisnot negotiate with any PLO representative unless the President first certifies to Congress that the Palestinian did not take part in the "death, injury, or kiduaming of an American or kidnapping of an American

The move, sponsored by Republican Senator Jesse Helms of North Carolina and Democrat Senator John Kerry of Massachusetts, has split Jewish organisations in the

AIPAC, the chief lobby group for Israel, supports it along with B'nai B'rith, which

Citibank and **Ecuador settle** seizure dispute

A DISPUTE over the seizure by Citibank, the largest US bank, of \$80m in Ecuadorean central bank deposits has been settled after the personal intervention of Mr Enrique Igiesias, president of the Inter-American Development

central bank will keep on deposit at Cilibank, in invest-ment accounts, at least half the credit drawn.

In fact, the \$80m credit line will be reduced to \$70m imme-diately, in line with a recent 5 per cent principal repayment made to other banks partici-pating in a 1986 oil finance facility.

Venezuela to build \$1.3bn oil refinery

and Steven Butler

THE Venezuelan government plans to build a \$1.8bn oil refi-The American Jewish Congress and the Union of Hebrew Congregations oppose the restrictions.

President George Bush is expected to argue that the amendment undermines US policy which is to talk to the PLO, provided it continues to renounce terrorism in word nery, associated with foreign and Venezuelan investors. and Venezuelm investors.

The refinery, with a capacity of 180,000 barrels per day of crude, is to meet demand for non-leaded petrol overseas, especially on the US east coast. Improved quality standards for US petrol, with rising demand, have led to a short-lead of refining capacity in the age of refining capacity in the US, with the balance of US demand being met by imports. Some of the imports have been supplied by European refiners, which has helped to be a propose of the propose of the capacity of the ca

> European refiners are considering expensive invest-ments aimed to lift production ments aimed to lift production of high-quality petrol. Venezuela's decision to build a new refinery to serve the US market, however, could cause
> European refiners to reconsider, especially if this represents a trend by oil producers.
>
> Mr Celestino Armss, Venezuela. Energy Minister, said
> the refinery will be built to
> produce about 70,000 b/d of
> petrol and naphihas, 40,000 b/d
> of distillates and 70,000 b/d
> of residual products. of residual products. He did not say where in

Tremors over foreign exchange probe Joe Mann reports on Venezuela's troubles with alleged import-export irregularities HE ISSUING by a Vene-zuelan judge of an arrest warrant for Mr Nestor Rapanelli, the new Argentine Finance Minister,

Argentine Finance Minister, has highlighted the growing controversy over increasingly politicised investigations into the foreign exchange activities of big companies under the Lusinchi administration, which left office in Venezuela in Fahruary. which lest office in Venezuela in February.

The investigations have forced up to 150 executives of multi-national companies based in Venezuela to leave the country over the past month so as to avoid except warrants and

travel restriction orders. The court orders — dubbed "ludi-cial terrorism" by the business community — have already dealt a severe blow to private sector confidence, just when the government of President Carlos Andrés Pérez is trying to reform the economy and encourage new investment. The investigations began this year and focus on alleged manipulation of official authorisations covering the bulk of the \$43bn of Venexuela's imports between February 1983 and March 1989. The foreign exchange control scheme known as Recadi (Regimen de Cambios Diferenciales) was eliminated soon after Mr Perez took office on Pebruary 2.

Under the scheme, the govern-

ment approved the sale of foreign currency at subsidised exchange rates (between three and five times less than mar-ket rate) to pay for duly-qualified imports made by public and private sector companies. Last March, Mr Carlos Last March, Mr Carlos Tablante, a Congressman for the opposition Movement Toward Socialism (MAS), publicly demanded official probes into what he called widespread fraud and manipulation of permits for imports and subsidised foreign exchange, under the Recadi system and sanctioned by the Lusinchi Government. He referred to improper acts, such as over-involcing. acts, such as over-involcing, payment of illegal commissions to obtain foreign exchange, phantom imports of non-exis-tent goods and other irregulari-

Multi-national companies, in particular, under scrutiny here and in their home base countries, were careful to comply with all legal requirements. Even so, businessmen say privately the Recadi was open to easy abuse and that some indi-viduals and companies were obliged to pay bribes or illegal commissions to obtain government permits. Public allegations aired last year about major irregularities under the Recadi system were swept under the carpet. Probes into such irregulari-

Rapanelli: Warrant out

ties are now being carried out by Congressional sub-commit-tees, a criminal court judge, the Attorney-General's office and other official entities. Evi-dence of alleged corruption is passed to Judge Luis La Riva, who then decides whether crimes have been committed. Thus far, he has issued more

crimes have been committed.

Thus far, he has issued more than 30 arrest warrants, mostly against high-level executives of private companies, including the Venezueian subsidiaries of Ford, Pillsbury and three import- and quality-verification companies (SGS, Caleb-Brett and Bureau Veritas). Lawyers for those cited say their clients committed no illegal acts.

The judge, whose actions have been criticised in the

Venezueian press, also has issued temporary exit bans on two Venezueian former finance ministers, plus a spate of other ex-officials, private sector exec-utives and employees.

The Rapanelli case is not typical. Here the judge decided last month that Gramoven, a large wheat-importing and milling company in which miling company in which Bunge and Born of Argentina has an interest, had paid excessively high prices for wheat on international markets in past years. On this matter he handed down arrest orders for the company's top executives, including Mr Rapanelli, Bunge and Born's representative on the Gramoven heard.

and Born's representative on the Gramoven board.

According to a Gramoven executive, the judge's decision was based on studies that used reference prices, rather than real world prices, to determine what Venezuelan importers thavid have raid for wheat should have paid for wheat. Moreover, the studies did not take into account items affecting costs such as differences in grades of wheat, and fees for ripping, insurance and disin-

President Carlos Menem of Argentina, who took office this month, seems to have been aware of the situation before he appointed Mr Rapanelli to succeed the late Mr Miguel Roig on Monday. Mr Menem is understood to have discussed

the matter with President Pérez before declaring his full confidence in Mr Rapanelli.

Venezuelan law does not readily allow accused prisoners to be released on bail. So individuals jailed in the Recadi affair may spend months trying to gain temporary freedom. Venezuela's legal system has also been widely criticised for political manipulation and bribery.

Some businessmen in Cara-cas said they were not afraid of a serious legal investigation, but felt that the Recadi probes carried out so far were "arbi-trary", "unprofessional" and directed at damaging the pri-

rate sector's reputation. Some executives also see the Recadi investigations as a smokescreen to protect former officials who made huge sums of money illegally under the Recadi. Although some probes have been aimed at officials of the Lusinchi administration and associates of the ex-president, most of the investigation thus far has been directed at

private companies.

"The inquiries bave gone out of control," said the president of a US-based multi-national.

The investigators are going after the big importers, such as automobile and pharmaceuti-cals, and will use any excuse to discredit them Observer, Page 24

By Stephen Fidler

After meetings at IADB headquarters in Washington, the two sides "agreed to resume fully the normal financial relations which had existed between them for many years," the IADB said. It described the dialogue between the two sides as "extensive, frank and cou-

Ecuador's central bank now will reopen its trading accounts with Citibank and the New York bank will extend a \$80m credit line to the central bank — at market interest rates over five years and repayable quartery. The central bank will keep on deposit at Cilibank, in invest-

MR Nicholas Brady, the US Treasury Secretary, yesterday praised Japan and implicity criticised other trade surplus countries such as West Germany and Taiwan over their contrasting willingness to help Third World nations, particularly over their debts.

larly over their debts.

Mr Brady, reporting back to
the Joint Economic Committee of Congress on the seven nation summit in Paris last

nation summit in Paris last weekend, said Japan should be "given credit where credit is due by having come forward with hard money to support the US inspired debt [reduction] strategy. This is the way surplus countries can help."

His only qualification was in pointing out that the \$65bn overseas assistance programme announced last week by Japan was "not all hard dollars."

By contrast, other countries with almost equally large surpluses had not made generous gestures like Japan. He gave the examples of West Germany and Taiwan as obvious candidates to do the same thing. Such assistance represented

Such assistance represented ways in which they could show

leadership.

Mr Brady acknowledged that
US fiscal pressures circumscribed its ability to flesh out
leadership with the provision
of funds. He said it was a

Brady praises Japan over

debt reduction strategy

By Peter Riddell, US Editor, in Washington

Brazilian debt team ready to be 'flexible'

By Ivo Dawney in Rio de Janeiro

BRAZILIAN foreign debt negotiators yesterday set off for a new round of talks with creditors, still hoping for con-cessions to avert a de facto moratorium on interest pay-ments in September.

Mr Arnim Lore, Central Bank Director responsible for foreign debt, emphasised before leaving for New York that negotiations were continu-ing: "We are taking a flexible position," he said, adding that he looked forward to constructive talks with commercial banks and institutional lend-

But the failure of Brasilia to meet International Monetary Fund targets that underpinned the accord last year on a \$5.2bn refinancing remains

this month by Brasilia to con-serve reserves — by processing all foreign exchange transac-tions phrough the Central Bank and by delaying debt interest payments — are also expected to have a negative impact. Brazil has disbursed only

small parcels of a \$810m pay-ment due to the Paris Club group of sovereign creditors: and is sixgering remittances of profits and dividends by foreign companies.

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US moves on moon

A PROPOSAL being considered by President George Bush calls for building a manned station on the moon and sending astronauts to Mars, AP reports from

Washington.
Mr Bush was expected to make a final decision yestermake a final decision yester-day on whether to adopt the proposal in a major space pol-icy speech be is to give today on the 20th anniversary of the first steps taken by a man on the moon – the US astronaut Nell Armstrong on July 20,

A return to the moon, to set up a permanent station, is the centerpiece of recommenda-tions Mr Bush is reviewing, said a US official.

Brady: financial constraints

the Treasury when the US was

the Treasury when the US was unable to come up with its prescribed share of financial support for the World Bank and other multiblieral institutions. This constraint was "a serious worry." But he denied that the "beton of leadership", was passing from the US since he disconstraint to leadership of the role

cerned no lessening of the role of the US President at the Paris

summit.

More specifically, Mr Brady said talks between Mexico and its commercial bankers would

The president's space advis-The president's space anvisers, led by Vice-President Dan Quayle, are urging him to accept the draft of a speech that calls for a permanent human outpost on the moon, from which bunianity's first mission to Mars would be launched the official said:

Mr Bush had been mon com mittal on Tuesday shout what he will say in the speech, at the US National Air and Space

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OVERSEAS NEWS

Pakistan's last brewery: a hangover from the imperial past

Christina Lamb reports on the survival of the Murree brewery in the face of Islam and a steady flow of foreign imports

O HAVE a hangover in Pakistan is to make a political statement. Alcohol is forhidden and offenders are flogged. Yet within sight of the Prime Minister's house in Rawalpindi cantonment, Mr M.P. Bhandara manages to run a profitable

brewery. He has a limited market. In a ountry that is 97 per cent Moslem, only non-Moslems can buy alcohol and then just for religious festivals. Even foreign tourists or businessmen can find alcoholic solace only in five hotels in the whole of the country's majority prov-ince of Punjab.

Ordering a beer provokes Ordering a beer provokes nneasinass, like walking through customs over the limit. It requires speaking furtively to the hotal manager, filling in permits, greesing palms. Finally, a disapproving waiter appears clutching a basket. Inside, wrapped in layers of cloth and newspaper, is the prized bottle of Murree beer. prized bottle of Murree beer. Running a brewery in Pakis

tan requires tenacity. Of the two operating, Quetta brewery has finally succumbed to the power of the mullahs and will close this year, leaving only Murree brewery in Rawalpindi. This once flourishing brewery was initially set up in the 19th century to supply British forces and administrators in



what was then British India. In its heydey in Second

World War, for six years it worked round the clock, produ-cing 15m gallons of beer a year. But in the past 12 years, successive rulers have closed bars and outlets, forbidden sales to Moslems, stopped exports and banned its non-alcobolic beer, forcing the hrewery to go into

The Murree brewery was founded hy a consortium of Englishmen and retired generals in 1860 after India had become part of the British Empire. The first brewery was built at Gboragali near the popular British hill station of Murree, and a chain of horse and carts took it to the garrison of Pindi, a 30 mile journey

which took a day. In the late 1920s a brewery In the late 1920s a brewery opened in Quetta, but that was destroyed in the 1935 earth-quake. Malting continued at Ghora Gali till the late 1930s when it was sold to a Hindu combine. Today the old Ghora Gali brewery stands in ruins, a victim of the Partition in 1947, when all Hindu property in Murree was set to the torch.

The Pindi brewery, which had been running as a public limited company quoted on the Karachi stock exchange with several Hindu groups having ecquired shares between

ecquired shares between 1935-7, was closed after Partition as most of the workers and management were Hindus. In 1948 prohibition was intro-

The soft option: a thriving non-alcoholic drinks industry stands in contrast to the dwindling brewery trade duced, but alcohol was made subject to provincial laws.

subject to provincial laws. Each province had some profibition, described by Mr Bhandara as "figleaf prohibition."

A permit could be obtained by the production of a doctor's note certifying need for physical well-being. Murree brewery reopened run by British and non-Moslam Pakistanis, the managing director remainthe managing director remain-ing British until 1952. Even today 3 per cent of the share-holders are British.

However, in 1977 the then Prime Minister Zulfikar Ali Bhutto was trying desperately to win over the right in his last days, closed down all non Mos-lem liquor shops and bars and

Mr Bhandara said the move

came "completely without warning. For one month we were closed down totally." Bhutto's action fooled nobody, and, being himself a great whisky drinker, he admitted it was "ill conceived" in his last testimony in March 1979, before he was hung at Rawal-pindi central jail which stands

next door to the brewery.

President Zia who had seized power from Bhutto in an army power from Bhutto in an army coup, saw Islam as the pathway to his legitimacy and introduced total prohibition for Moslems and a sentence of whipping for those caught. Non-Moslems ware allowed to buy alcohol for religious festivals, and those used to drinking alcohol hired Christian ser-

vants to buy liquor.
But things did hecome stricter, with patrols searching the cars of foreign diplomats for alcohol, a practice which continues. And several foreign diplomats were extradited for drinking wine out of a teapot at a Chinese restaurant in

Islamabad.

As a further blow to the hrewery, in 1980 the Islamic Ideology Council decided it was unbecoming for an Islamic country to be exporting alcohol and banned exports. Mr Bhandara was furlous, having been on the verge of signing a hig order for the Russians who had entered Afghanistan.

The irony was that almost

The irony was that almost every well to do house in Pakistan even in the most remote areas have foreign alcobol on offer. Much of it is smuggled across the Indian border into Sind, e large amount comes through Kara-chi port and off the Makran coast, and while the Soviets were in Afghanistan, Russian vodka flooded Baluchistan and the Frontier Province.

Many influential people are involved and police and cus-toms officers turn a blind eye for a cut. Confiscated consignments are resold and even some embassies in Islamabad run an illicit trade. While the market price has halved over the last three years, the smng-

gled foreign alcohol costs five times the Murree prices.

Complains Mr Bhandara:"It is a shameful state of affairs where it is easier to buy for-eign beer than locally brewed Murree. I go to parties in Kara-chi and there will be seven

brands of foreign beer available and no Murree beer. The government seems happy to see this insidious subterranean distribution of alcohol and lose millions of rupees revenue as a consequence."

Before Bhutto's prohibition

the brewery was selling more than 750,000 gallons of heer each year. Now it averages below 190,000. Alcohol is still

below 190,000. Alcohol is still the brewery's main source of income, as the production costs are low, but Mr Bhandara has branched out into soft drinks knowing his brewing days may be numbered.

Mr Bhandara's patience is running out but he is determined not to be defeated. They've stopped my outlets, stopped my exports and even my non-alcoholic products, yet they close their eyes to the flood of foreign alcohol coming in illegally. Their laws hit only the poor and us manufacturers—tha upper crust gets its water from France, its whisky from Scotland, its beer from from Scotland, its beer from Germany and its gin from England — so much for Islami-sation."

Vietnam and UK in talks on boatpeople

By John Elliott in Hong Kong

TALKS are taking place this week in Hanoi between Vietnam and Britain on the repatriation of about 35,000 Vietnamese boatpeople now in Hong Kong who are unlikely to qualify as political refugees but are not volunteering to go

Brnad agreement was reached between the two countries at the end of last month, including a pledge by the UK that it would step up economic aid to Victnam.

This week's talks concern

This week's talks concern detailed arrangements for the repatriations which Vietnam has so far not accepted. An aircraft has been provisionally organised to take the first group of under 100 back next week if agreement is reached. This will be a major break-through for Hong Kong, which has been calling for the forced repatriation of boetpeople. Vietnam has refused to accept this and a compromise reached this and a compromise reached last month involved dropping the word "forced" from the

the word "forced" from the agreement. Hong Kong has been trying to avoid publicity for the plan, partly because the US is opposed to forced repatriation.

However, there is no plan physically to force people are return. The boatpeople are screened to test whether or not they are political refugees. they are political refugees.
Those rejected – about 90 per cent of the total – will be urged by counsellors from the United Nation's High Commis-

United Nation's High Commissioner for Refugees to return home. Some will later be instructed to do so.

There are now around 50,000 hoatpeople in Hong Kong, of whom more than 35,000 have arrived since June last year when Hong Kong changed its when Hong Kong changed its rules and refused to regard new arrivals automatically as

So far 1,983 have heen screened, of whom unly 256 have been accepted as genuine

Burma opposition forced to call off ceremony By Roger Matthews in Bangkok

A MASSIVE military presence in Rangoon yesterday forced Burmese opposition parties to call off ceremonies to mark the 42nd anniversary of the assassination of General Aung San, who led the country to e brink of independenc from Britain.

Gen Aung San was killed by a political rival, along with eight of his cabinet colleagues. eight of his cabinet colleagues.
Aung San Su Kyi, the general's daughter who heads the National League for Democracy, the biggest oppositina party, took part last year in the official ceremonies, which include laying wreaths at the martyrs' mausoleum near the Shwedagon Pagoda Hill. However, she refused to do so this year.

Her plan to organise a rival martyrs' day ceremony and recent bomb explosions in Rangoon and Syriam, on the opposite bank, prompted the military government to increase troops in the capital

Western diplomats said it was the largest display of force in Rangoon this year. Mr David Storey, a corre-spondent for Reuters news

progress towards independence By Anthony Robinson in Johannesburg cross into northern Namibia in Angola UN officials in the ter-ritory's capital said they had no evidence Pretoria's claim. Representatives of the Zulu Inkatha movement, the trade unions and the United Demo-Pretoria remains deeply suscratic Front (UDF) are to meet picions of the impartiality of some UN officials and military contingents which make up the 4,650-strong UN Transition urgently in an attempt to calm the latest upsurge of violence in the Natal townships. Police reported that a further six peo-ple died in fighting between rival groups overnight after 24 died nver the weekend, Assistance Group (Untag). President Botha and his Foreign Minister are expected to ask the UN Secretary General to ensure the impartiality of the UN forces. They are also expected to call for an investigation from the fate of several Anthony Robinson reports. Violence also returned to tha Mpophomeni township

ALL THE FUN OF THE FAIR: Martial law troops in Peking take a break from their duties at an amusement park yesterday. Residents say the military is attempting to improve

Gandhi under attack over Bofors

over whether the Indian

By K.K. Sharma in New Delhi

BOTH houses of India's parliamant were adjourned yesterday after persistent and noisy demands by opposition members for the resignation of Mr Rajiv Gandhi, India's Prime Minister, made normal proceedings impossible.

The reason for the resigna-tion demand was once again the \$1bn deal with the Swedish company Bofors for the purchase of howitzers for the Indian army. Mr Gandhi and his friends have been under attack for more than two years over corruption allegations

surrounding the Bofors issue. The revival of the concerted opposition offensive yesterday followed the belated publication of a report by the Comp-troller and Auditor General on the Bofors deal which questioned the Government's case for choosing the Swedish gun in preference to Sofma, a

Defence Ministry properly eval-nated the operating costs of the rival Swedish and French hids. By implication, this counters the findings of a Congress-I dominated parliamen-tary committee which last year investigated the Bofors deal and cleared the Government. The committee was boycotted by the opposition.

Opposition members yesterday insisted that after the "indictment" of the Government by the comptroller, it had no right to continue in office and demanded the immediate resignation of Mr Gandhi. The comptroller's report cri-

ticises the Government, the Ministry of Defence and Army headquarters on various counts. It lists several lapses in not only the technical and financial evaluation of the offers leading to the decision to award the contract to Bofors but also the Government's failure to eliminate middlemen in the deal. Critics of the Bofors deal have said payoffs were made through the middlemen. The report has found that Mr Gandhi's instructions on the evaluation method were also flouted by the Defence Ministry before the contract was signed with Bofors in March 1986. It points out that the Defence Ministry was not thorough in the technical evalua-tion of the Bofors gun or

ammunition.
It also shows that on all other major considerations -elimination of agents and the financial and credit components of the deal – the Minis-try reached conclusions of doubtful validity in indicating its preference for the Bofors system. The report also makes it clear that the financial implieations of manufacturing the Bofors gun in India were not comprehensively and methodically dealt with.

and invest regional military commanders with wide powers under martial law.

agency who arrived in Ran-goon on Monday, was arrested at his hotel on Tuesday night and deported yesterday despite having a valid jnurnalists'

sacked in S Korea SOUTH KOREA'S President

Ministers

Roh Tae-woo sacked six minis-ters and tha country's intelligence chief yesterday in a cabi-net reshuffle, but falled to placate critics demanding full democracy, Renter reports from Seoul.

President Roh, harassed by mounting political dissent and widespread industrial unrest, kept many key members of his 22-strong cahinet, including Prime Minister Kang Young-hoon, Foreign Minister Choi Ho-joong, deputy premier Cho Soon and other main economic

Critics of the government immediately complained that the reshufile did not go far enough to overcome problems facing the rapidly industrialis-

ing country.

"The so-called reshuffle only betrays the Roh government's ulterior motives designed to revert to authoritarianism while paying lip service to democracy," a spokesman for the opposition Party for Peace and Democracy told reporters. "Most of the new faces are either people groomed by (for-mer president) Chun Doo Hwan or hawks in the ruling

camp," the spokesman said.

Those shaken out of the cabinet included Interior Minister Lee Han-dong, who was sec-retary-general of the ruling Democratic Justice Party under Chun.

Lee, as civilian chief of South Korea's 140,000 police, has been under fire from the opposition for a renewed clampdown on dissidents, including those Roh calls left-ist revolutionaries favouring oommunist North Korea,

Seoul's fce. His post has been filled hy his former deputy in the ruling party, Kim Tae-ho, regarded by many as a hardliner towards

Roh also sacked Park Seh-iik as the country's intelligence chief. Despite not being e full cabinet minister, Park was a trusted aide to the

LDP 'may seek opposition help after poll'

A LEADER of Japan's ruling Liberal Democratic Party (LDP) said yesterday that if it fared as badly as expected in Sunday's Upper Honse elec-tion, the party might ask the opposition Democratic Socialist Party (DSP) for help, Reuter

rarry (DSP) for men, senter reports from Tokyo.

The DSP's leadership has said it will not throw its sup-port behind the scandal-ridden LDP, which looks likely to lose its majority in the Upper House of parliament in Sun-day's poll.

However, Mr Ryutaro Hashimoto, LDP secretary-general, told a news conference his party and the DSP had many policies in common. We have been able to ask

for co-operation from them in the past," he said. After the Upper House election "there will be an occasion for us to ask for such co-operation

DSP chairman Eiichi Nagasue told a news conference in the western city of Kobe that Hashimoto's comment was "nonsense

Tha DSP, the third-largest opposition party, holds conservative views on many policies. It is highly critical of tha Japan Socialist Party, the largest opposition party, which looks set to gain most from the

MR Javier Pérez de Cuéllar, the UN Secretary General, today continues his review of

UN chief inspects Namibian

the Namiblan independence process when be flies to Ovam-boland in northern Namibia before his planned meeting with President P W Botha of South Africa and Mr Pik Botha, the Foreign Minister,

tomorrow.

Mr Perez de Cuellar, on his first visit to Namibia for six years, yesterday held talks with local UN officials and military commanders, representatives of 10 of the country's more than 40 political parties and senior Swapo officials and Mr Louis Pienaar, Pretoria's Administrator General.

On arrival at Windhoek air-

Administrator General.
On arrival at Windhoek airport on Monday night he said that "an irreversible process has been set in motion that will bring Namibia to independence through free and fair dence through free and fair Officials of the South West

Africa People's Organisation (Swapo) have continued to complain of alleged intimidation by members of the former Koevoet (crowhar) counterinsurgency unit now operating with the South West Africa

Sonth Africa has eccused Swapo of illegally infiltrating

PRESIDENT Kenneth Kaunda

of Zambia said yesterday he would soon meet Mr F W de

Klerk, the leader of South Africa's ruling National Party, and was hoping to act as an intermediary between him and the outlawed African National

Congress. The ANC has its

Mr Kaunda told the Finan-cial Times in an interview that

he had invited Mr de Klerk to

meet him at Livingstone, on Zambia's horder with Zim-babwe, the scene of his meet-

ing with former South African Prime Minister John Vorster 20

years ago. No date had been set but Mr de Klerk had indi-

cated his willingness to attend.

Mr Kaunda said he hoped

headquarters in Lusaka.

tha Mpophomeni township near Howick in Netal which has been a focal point of violent protest since 1,000 workers were sacked from the BTR-Sarmcol plant four years ago. At least one Sarmcol worker was reported to have been killed as e crowd of around 1,000 attacked workers outside the plant.

armed political commissars from neighbouring Angola across the border into Ovamboland in northern Namibia. The region is electorally crucial, home of more than 50 per cent

of the population. Swapo officials in Windhoek have denied the claim and also rejected South African allegations that a 1,900-strong guerrilla force was planning to

tha meeting would prepare the ground for negotiations between Pretoria and the ANC

though he noted no such talks could take place before inde-pendence elections in Namibia

The ANC has recently taken

tentative steps to prepare for negotiations, though its offi-cials continue to stress that conditions are not yet ripe for

Mr Kaunda said that the suc-cessful conclusion of Namibian

independence elections was

crucial for further progress in southern Africa, noting that he

hoped "talks about talks" -involving South Africa, the

front-line states and the super-

powers as well as possibly the

on November 1.

gation into the fate of several hundred Swapo dissidents and tha whereahouts of nearly 40,000 alleged refugees, for whom Swapo claimed funding from the UN hot who have yet to be located for repatriation.

• Mr F W de Klerk, leader of Swith A State of The National South Africa's ruling National Party, yesterday discussed closer political, economic and trade links, and ways of improving security, during talks in Maputo with President Joaquim Chissano.

that Pretoria no longer supports the Renamo rebels but it rail links between the Trans

offering financial and other assistance to improve road and vaal and southern Mozamhi-

Kaunda plans talks with de Klerk

ANC - could begin soon after At a press conference earlier. Mr Kaunda said the country's economic recovery programme had gained the support of the International Monetary Fund and World Bank. In mid-1987 Zambia suspended a recovery programme endorsed hy the Fund and launched what was described as an alternative

Mr Kaunda's announcement follows a series of recent policy changes, including a devalua-tion and the lifting of price controls. However, Western diplomats said yesterday that a formal agreement with the IMF had

recovery strategy.

French competitor.
The report raised questions not yet been negotiated.

Iranian exiles watch despairingly from the sidelines

Tehran's opponents abroad wait in vain for the predicted post-Khomeini chaos, writes Scheherazade Daneshkhu

VERY so often in London and other cities passers-by are stopped by a man or woman holding a large black book of photo-graphs and asked to demonstrate their support for the suffering people of Iran with a donation.

These representatives of the Muja-

hideen-e Khalq, one of Iran's main opposition groups ebroad, whose presence on the atreets of London has diminished over the years, are what is left of the visible signs of organisation among Iran's exiled opposition movements.

As Iran's Islamic government pressas on with constitutional reform and prepares for presidential elections next week with little sign of the chaos predicted after Ayatollah Khomeini's death, the country's exiled groups find themselves in an

increasingly marginal position.

Danouncing current political manoeuvres in Iran from the sidelines, their activities within the country have been hampered by their own divisions and by a ruthless purge of political prisoners involving mass executions. Amnesty International, the human rights group, reckons that 1,700 political prisoners were executed last year after the ceasefire in the Gulf war. A further 1,000 people are said to have been hanged since the beginning of January in what the authorities have said is a crackdown on drug trafficking. There is reason to believe that about one-third of these axecutions are in fact political In a sense these executions dem-

onstrata that the Iranian government, at least, does not believe the external threat is over. Last week the newly-appointed leadar of the republic, Ayatollah Khamenal, warned that "the global enemies of the Islamic Republic have not ceased their hostility, malice, conspiring and trickery against the Islamic Republic. The people must be alert and watchful."

Such warnings stand in contrast to the opposition groups' manifest failure either accurately to predict or to influence events within Iran. The strategy of all the main groups outside the country - the monarchists, the Mujahideen and the left-wing has been to look for the weak link in the clergymen's chain and to press hard until it snaps. For the Mujahideen and some of the left-wing groups this has meant a resort to arms or sabotage. For others it has meant exhorting a popular uprising

of the Government.

Most of them have concentrated their attention on the regime's human rights abuses and promised to set the country back on its origi-nal democratic path at the beginning of the revolution before it was

or predicting the imminent downfall

hijacked by the clergy. But what has been particularly demoralising for the opposition groups has been the Iranian government's ability to hold on against the odds. From the start few among the educated opposition believed that a bunch of mullahs, or clergymen, could be intelligent enough to run a

Now that the Islamic Republic appears to be surviving not only feat in war but also the death of its paramount leader, a good deal of soul-searching is under way among the opposition groups.

Each has had its particular set-

back. The Mujahideen, which has its headquarters in Baghded, helieves that Iran's government can only be overthrown by force of arms. To this end, it formed a strategic alliance with Iraq and fought alongside President Saddam Hussein's troops. The Mujahideen lost, hy its own estimate, some 5.000 men.

The Mujahideen's television station, broadcasting from Iraq, and its weekly newsletter have been shut down, though the Mujahideen denies this is due to Iraqi pressure. "We are not discouraged," said the group's London spokesman. "In fact I predict a decisive turn this summer.

y contrast, the monarchists are plagued by a weak organi-sational structure and interhost of competing small groups, Unlike the Mujahideen, the Kaviyani Banner of Iran, an Egyptianbased monarchist group, urged its supporters to defend Iran by lighting against the Iraqis. Since the end of the Gulf war the Shah's son Reza has adopted a higher profile than previously and embarked on e European tour aimed at drumming up

In recent months, however, disagreements have surfaced with one of the supporting groups and the Young Pretender has instead been reinforcing links with Dr Shahpur Bakhtiar, his father'a last prime

Iran's new policy of opening up to the Soviet Union has also put the left-wing groups, particularly tha Tudeh (Communist) party and the Kabul-based Sadayin-e Khalq, in a difficult position. Moreover, the Sadayin is split into majority and minority wings, with further splits among the minority group. An additional blow has been the execution of more than 1,000 Tudeh members last autumn and a stranglehold on left-wing organisations within the

Other exiled opposition groups amount to little more than a cluster of people around a personality.

These include Ahmad Madani, e former admiral who ran for president in the republic's first elections and who openly admits to being funded by the US government. The man to whom he lost the elec-

tions, Abol Hassan Bani-Sadr, has seen his opposition activities hin-dered by a lack of funds. He is also loathed by other groups for having co-operated with the Islamic Republic in the first place. "Bani-Sadr is the greatest traitor," said one dissident. "It was he who showed the mullahs that any old fool could become president of a country."

Some of the difficulties the opposi-

tion is suffering are of its own making. The unity that Iran's opposition showed in overthrowing the Shah

has been markedly absent in the has been markedly absent in the Khomeini era. Petty in-fighting has led to cynicism among would-be dissidents. Some argue that the anti-Khomeini choice is basically limited to the monarchists and Mujahideen. "I would love to see Khomeini go," said one Iranian, "but I'm heing asked to choose between the return of the old regime or a bunch of Stalinist fundamentalists."

In reality the opposition force.

In reality the opposition faces a particularly intractable situation. Tha Islamic Republic's ruthless treatment of its opponents has meant that they have to operate at a great distance from the country and far removed to the country and far removed the country and the far removed from grass-roots sup-port. Many of the leaders are old-timers and are seen by some Iranians as having blown their chances at the time of the revolution.

Conditions within Iran are also markedly different from the late 1970s and are apparently set to change further with the election on change further with the election on July 28 of a new president. While the post-Khomeint leadership is faced with crippling political, social and economic problems, the threat of organised insurrection co-ordinated from outside the country is not nearly as serious as that reced by nearly as serious as that posed by



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TOKYO DENIES CLAIM OF UNFAIR SHIPBUILDING SUBSIDIES Japanese fear new US trade row

By Robert Thomson in Tokyo

JAPANESE shipbuilders fear that US allegations of unfair government support for the industry, which has begun to emerge slowly from a severe downturn, could become the next big bilateral trade issue.

The Japanese industry was cited, along with those of West Germany, Norway and South Korea, in a report prepared hy the Shipbuilders' Council of America and now being stud-ied by the offics of the US Trade Representative, which is due to decide in the next cou-ple of daye whether to take

Shipbuilders here say that they are "nervous" about the possibility of the claims becoming another symbolic trade issue, as was the case with the drive by Motorola, the US communications equipment com-pany, to win radio frequencies for its mobile phones in Tokyo. Now that this issue has been settled, Japanese trade officials

have been curious to see which will be the next one to take off. The Japanese government, through its embassy in Washington, has delivered a note to the US government expressing "deep regret" and danying allegations of unfair enhaldies, which were raised in the report formally handed to the US Trade Representative early last

"We have been keeping international rules and giving no government aid that would destroy the conditions for free competition. We have not taken any political action that would fall under Section 301," the note said. "We dseply regret the application by US shipbuilders. The content of this application is unreasonable."

Industry analysts suggest that the US Trade Representa-tive will have no difficulty identifying subsidies in the two European countries named, but

that Japan is a particularly difficult and sensitive case to unravel. One Western analyst said that "anything involving Japan and trade is likely to become a big issue now" in

Washington.
US shipbuilders have said that they would like to get about 2 to 3 per cent of the international market, in which Japanese builders had about 38 per cent of new orders last year and Korean builders 24 per cent. The US allegations come just as the Jepanese industry thought that it was making progress after a forced

Takao Shinohara, director of the Ministry of Transport's International Affairs Office, said that claims of subsidies have been made over actions taken by the government in accordance with an Office for Economic Co-operation and Development committee's requests to reduce capacity.

He said that the government had bought land owned by some shipbuilders to help those companies ease out of the industry, and that loans by a government bank to shipping companies buying ships are not received by the shipbulld-

ers themselves.
"The situation has been very bad in the industry, and we were requisited to reduce capacity, so we had to help people retire from the industry. The US has also raised the issue of research and development, but we only fund very modern projects to maybe 20 to 30 per cent. We are not cited by other countries," Mr Shinohara

If the US Trade Representa-tive decides that the US shipbuilders' application is reasonable, it is likely to launch an investigation into the industry and draw up a list of reform demands for the various gov-

UK NEWS

Rail watchdog sees risk of failure in BR privatisation By Kevin Brown, Transport Correspondent current year - a reduction of PRIVATISATION of British

Rail could be e disastrous fail-

ure unless the Government implements strong safeguards for passengers, the Ceutral Transport Consultative Com-mittee said yesterday. The official railway wetch-

dog said in a report on the privatisation prospects: "Millions of people could suffer a substantial loss of personal mobility leading to great hardship."

It added: "If that were to be the outcome of privatisation, then passengers would judge it a disastrous failure."

The committee said there had been tension over the past five years between BR's tradi-tional public service responsi-hilities and the management's attempts to introduce commercial disciplines on the railway. Government subsidies for passenger services have been cut from more than £1bn in 1983 to a forecast £608m in the

more than 50 per cent in real

terms.
The CTCC said the result was fewer trains, fewer car-riages, more track singling, de-staffing of stations and proposals to close some lines.

The report said five safeguards were needed to main-tain a balance between public service and the pursuit of profits, especially if BR was to be broken up into competing private companies: • Gnarantees that subsidies

for passenger services will be continued to protect losscontinued to protect loss-making lines;

• Retention of the existing statutory procedure for line closures, requiring a long period of public consultation;

• Retention of a national system of concessionary fares and the wight ticksting.

through-ticketing;
• Establishment of a strong regulatory office with power to

control prices and set quality and safety standards;

 Retention of statutory con-sumer councils with legal rights to represent consumers. Unless all these safeguards "Unless all these safeguards are met, many rail users could quickly find themselves worse off following privatisation, with the possibility of summary rail closures, reduced service quality, higher fares and an unco-ordinated and a rundown system," the report says.

Mr Mike Patterson, the CTCC secretary, said the com-

CTCC secretary, said the committee was neither for nor against privatisation in princi-ple. However, it "does not share the view of some partici-pants in the debate that any form of privatisation would automatically be an improvement on the present situation."
He added: "If privetisation goes ahead, passengers will judge its success by whether or not they get a better deal."

Brussels adopts air plan

By David Buchan in Brussels

THE EUROPEAN Commission yesterday formally adopted its proposals for a second stage liberalisation of the European airline industry, planned to take effect in mid-1990 and to give airlines more rights to set

their fares and routes.
The proposals, which EC transport ministers will start discussing in October, go further than the first phase of deregulation, agreed two years ago, by limiting governments' ability to block fares and routes, by allowing more mar-ket penetration for more dynamic carriers, and by allowing eo-called cabotage. This would permit an airline from one EC state to offer serivces ou routes between other

Presenting the decision, Mr Karel van Miert, the EC trans-port commissioner, cited the recent right given Finnair to pick up passeugers between Stuttgart and Hamburg as an example of the new freedoms be wanted to extend. Sir Leon Brittan, the EC competition commissioner, cautioned, how-ever, that Brussels would not follow the example of US anti-trust euthorities in allowing "big airlines to gobble up the smaller ones." smaller ones".

Both commissioners coutended that further liberalisation of air transport would not add to the sector's traffic congestion problems.

Turkey in \$150m Soviet credit deal

TURKEY and the Soviet Union have reached an agreement ou a second line of credit of \$150m to be made available by the **Export Import Bank of Turkey** (Eximbank) to support Turkish exports in payment for imports of Soviet natural gas, writes Jim Bodgener in Ankara.

A letter of intent was signed earlier this mouth during a visit to Moscow hy the Mr Ekrem Pakdermirli, Turkish Finance and Customs Minister.

The first \$150m, three-year line of credit to the Soviet Union was tied up in April the second is for four years. Both credits will be linked to the 30 per cent cash element of

the agreement to import natural gas from the Soviet Union. Eximbank has also prepared a \$100m lins of credit for Algeria, hut ou commercial terms, according to Dr Turgay Ozkan, the institution's gen-

eral director. According to the present draft, Eximbank would guaran-tee loans extended to Turkish exporters by commercial

The institution has also increased the amount of credits of which it will guarantee 85 per cent to support Turkish contractors working abroad to

Iraq has been allocated \$400m, and the remainder will be divided among other coun-tries including Tunisia, Iran, Syria and Algeria. Turkish coutractors have already oversubscrihed the quota for Iraq, according to industry sources

Fiat units win dam contract

FIAT Spa construction units Cogefar Spa and Torno Spa have won a contract to build a

dam at M'jara, Morocco.

The dam, which is designed for irrigation, flood control and the industrial exploitation of water, will be the largest in Africa after Egypt's Aswan

Dam. The dam will protect 150,000 hectares of farming land from periodic flooding by the Ouerrba river, irrigate 100,000 hectares and produce 390m kWh of slectricity per year.

Austria set to ban arms exports

By Judy Dempsey in Vienna

AUSTRIA'S socialist-led coalition government is expec-ted to ban arms exports, after fresh allegations that the

state-owned weapons industry illegally sold arms to Iran and Iraq during 1985 and 1986. The move to amend legisla-tion which bans the export of certain types of weapons to countries at war, cams after an investigation began into the alleged involvement in illegal arms deals of Mr Fred Sinowatz, the former socialist

If the amendments are passed, it could lead to job losses in the 5,000-strong arms industry workforce. The bulk of Austrian weapons are pro-duced by Steyr-Daimler-Puch and Noricum, both state com-

and Noricum, both state com-panies, as well as Asmann, a privately-owned company which is rapidly expanding in this field of production.

The management at Nori-cum, a subsidiary of Voest-Al-pine, the giant steel and engi-ueering company, has already admitted that it sold more than \$300m of guns and ammunition to Irap, despite ammunition to Iran, despite stringent export regulations. Eighteen of Noricum's managers are expected to face trial

later this year. Recently, Mr Karl Blecha, the former Inte-rior Minister and Mr Leopold Gratz, the former Foreign Minister, who were in the cabinet when the weapons were sold, resigned.

Companies involved in the export of certain categories ofweapous, which include guns, small arms, tanks, mis-siles and ammunition, but not trucks, sniper guns and mili



Former Chancellor Fred Sinowatz: under investigation

tain countries.

is better for a small neutral country to have nothing to do with large weepons systems...I believe we should gradually withdraw from

During the 1970s, Austria's arms exports reached Schöbn (£372m). They sharply declined in the early 1980s, and are reflecting the Government's now estimated to be no more than Sch2bn. However, none of the ministries has been willin to reveal the precise value of

EXPORTERS are performing well in spite of last year's record £20.6bn visible trade deficit, Sir James Cleminson, chairman of the British Overseas Trade Board, said yesterday. During the first five months of this year non-oil exports rose by 16 per cent in value terms over the same period last year, and that trend was continuing.

Sir James Chaminson: rise in exports should continue

Exporters

well, says

By Peter Montagnon,

World Trade Editor

trend was continuing.

"This is absolutely not a

period of gloom or doom," he said after lannching the BOTB annual report. "There is a very real competitiveness in UK

industry."

Sir James suggested that the
UK trade deficit appeared to
be caused more by rising
imports than by weak export

performance, but three-quarters of the increase in imports over the last 12 months had gone direct to industry in the form of capital and intermediate goods and

Some 15 per cent of the increase was due to imports of motor vehicles, a sector poised

to become more competitive.

The foreign content of goods manufactured in the UK was

still not as high as the import content of West German goods, he said. That was a fur-ther pointer to UK competi-

"Provided wage inflation does not run away, British industry should be in an excel-

ent position to take advantage

of opportunities in world mar-kets," he added.

Commeuting on individual markets, Sir James noted that

UK exports to Japan bed increased by 38 per cent in the first five months of this year,

performing

trade board

tary vehicles, are required by law to seek the permission of the Interior Ministry before any contract is signed.

The ministry then has to refer to the Chancellor's office, the Foreign Ministry and the Defence Ministry which also have to consider if Austria's neutrality would be underneutrality would be undermined if arms were sold to cer-

k. Mr Franz Vranitzky, the Chancellor, said that "experience has shown that it these sales.

campaign to boost exports to that country. Exports to West Germany had also responded Elsewhere the BOTB annual report records that UK export orders wou with the help of ment's aid and trade provision totalled £244m in the last fis-

cal year to end-March.

Education cuts loom, say MPs

By David Thomas, Education Correspondent

THERE could be real cuts in educational spending this year because the Government has based its spending plans on an over-optimistic inflation assumption, the Commons education committee warned yesterday.

The committee also called on

the Government to re-examine its spending plans for the uni-versities and polytechnics, which it said would sustain a

4 per ceut pay increase only for academic staff next year.

Those are some of the main conclusions of a report from the committee yesterday on government spending plans for education.

education.

Much of the report Is devoted to the pattern of public spending on education in recent years - a subject of great political controversy. Spending on education has

risen by 10 per cent in real terms since 1986-87, more than restoring the cuts made in the early 1980s. It is now planned to keep

to the public - such as teachers' pay - had risen in real terms, while spending had spending constant to 1991-92. However, the committee warns that cuts may be necessary because plans for a 0.5 per cent real increase this year were based on an optimistic 5.5 per cant inflation assumption, been cut on more visible parts been cut on more visible parts of the budget, such as school transport, meals and milk.

Roughly half the 37 per cent real increase in spending per pupil since 1979-80 weut on teachers' pay, with the other half going to provide better pupil-teacher ratios and increased spending on books and maintenance. against a higher actual rate.

The report also complains that it is impossible to tell whether the £11bn spent annually ou schools is yislding value for money, because the Government lacks reliable measures of performance for the schools' budget.

It points to e lack of apparent coherence in the trend for and maintenance. Some epending rises were sanctioned by local authorities against the Government's

in achools, hut worsening ratios in further education colleges and polytechnics, The committee highlights the paradox that, in spite of recent real increases in spend-ing, the public still believes

improved pupil-teacher ratios

that education is suffering from cuts. Government officials told the committee this was because some costs not directly visible

• More than 350 British students will get up to a year's training with high-technology companies in other European Community countries, under awards announced yesterday as part of the fourth tranche of

gramme known as Comett. Department of Education and Science and Office of Arts and Libraries Expenditure Plans 1989-90 to 1991-92. HMSO. 57.40

an eight-year Community pro-

Orders for housing down since Easter

By Andrew Taylor, Construction Correspondent

CONSTRUCTION orders for 17 per cent lower than in the new housing have fallen sharply since Easter. This year it occurred at the end of March and is traditionally one of the best selling periods for house-

builders. by the Department of the Environment showed that the value of orders for private housing during the three mouths to the end of May, including March, were 23 per cent lower than in the previous three months and

(aged 40 ~ 69)

corresponding period last

The figures et constant 1985 prices were adjusted to take account of seasonal variations, the department said.

construction were 5 per cent lower than during the previous three months but 1 per cent higher than during the corresponding period last

year. Mr Jamie Stevenson, build-

ing analyst for Kleinwort Ben-son Securities, said: "The fig-ure could have been worse. Total construction orders for the first five months of this year are at about the same level as during the first five months of 1988 - despite the collapse in the housing

market.
"It suggests that construction output as a whole should remain at present high levels up to the second quarter of

Gatt shirks main issue in talks on liberalising air transport

By William Dullforce in Geneva

DISCUSSIONS on liberalising air transport in the Uruguay Round trade talks are likely to focus first on peripheral issues such as computer reservation systems, ground handling operations at airports and per-haps charter traffic. The core civil eviation business is seen as too complex to be tackled directly at an early stage.

That at least is the conclusion that might tentatively be drawn from the discussion this week in the group negotiating

The group was testing the applicability to the transport husiness and tourism of the principles which the trade min-isters decided, in December, might be included in a framework agreement liberalising trade in services. The core civil aviation husi-

ness rests on a complex net-work of hilateral air-transport agreements under the Chicago Couvention and is closely involved with the sovereignty of national air spaces and national security issues.
Until governments had been able to assess fully the implications, liberalisation of the rules governing trads in aviation and shipping services would be premature, the US said The principle of non-discrim-ination embodied in the Gen-

eral Agreement on Tariffs and Trade was basically incompatible with the existing bilateral treaty structure of the Couven-tion and, in the shipping sphere, with the cargo-sharing provisions of the United Nations liner code.

The code aims at ensuring that developing countries get a share of maritime trade. Some countries, including Australia and New Zealand, while recognising the difficul-ties of changing the aviation structure, insisted that the possibility of liberalising it at a later stage should not be aban-doned.

The European Community saw a need for "creative thinking" about long-standing international agreements. Scope for faster removal of trade-restricting obstacles in civil aviation appeared when the group dis-cussed the principles of trans-parency and market access.

Opened the way for Bolivia to become the 97th member of

Gatt by approving the terms of

• Agreed to set up a working party to examine exports of domestically prohibited goods and other hazardous sub-stances. Developing countries,

particularly in Africa, have

long been pressing Gatt to discipline companies which export pharmaceuticals, chem-

The US pinpointed the need for more openness in the airline rankings used in computer reservation systems. The Gati secretariat had said

that reservation and ticketing systems jointly owned by comneting airlinss could impede access to markets for smaller It also called ettention to the

failure of many countries to register their bilateral agreemeuts with the International Civil Aviation Organisation, and to the lack of market transpareucy caused hy the many confidential side-agreements which sometimes significantly alter the intentions shown in published hilateral

The Uruguay Round services group tested the application of the trade ministers' principles to international trade in telecommunications and construction in April.
It will examine financial ser-

vices in September, after which it will try to draw conclusions about how to design a frame-work agreement for liberalis-ing trade in services.

Failure to curb a coronary killer

Alan Pike examines a critical view of efforts to prevent heart disease

Mortality per 100,000 population

Deaths from heart disease

ORONARY HEART disease, Britain's biggest killer, causes 180,000 deaths annually and leaves a treatment bill of £500m a

By comparison, the National Health Service invests a modest £10m a year in prevention, even though Britain's beart disease mortality rates are among the highest in the In a report published yester-

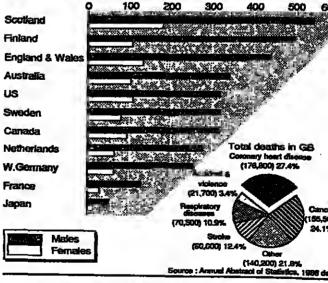
day, the Commous public accounts committee expressed concern at the "stark contrast" between levels of expenditure on treatment and prevention, and deplored Britain's gener-ally poor performance in reducing the disease's death rates.

Mortality has dropped by 10
per cent for men aged 40-69 and per cent for women in the same age group since the late 1960s, but countries such as the US, Canada and Australia have seen their death rates decline four or five times as

The cost of treatment is not the full economic price of heart disease. As well as the £500m a year spent by the NHS on treating sufferers, coronary conditions account for about 35m working days lost each year - 10 per cent of the total - and in 1984-85 cost £250m in sickness benefits.

So prevention is not only better than cure - particularly since there will be no cure for many victims - it is cheaper. In its report the public accounts committee expresses surprise, in view of the success of other countries at reducing levels of beart disease, that it was only in the mid 80s that specific health education campaigns aimed at preventing the conditioo were introduced in England and Wales.

The committee is particularly concerned about the position in Scotland, which has one of the worst international records for heart disease and where there is no specific campaign to alert the public to the risks because the Scottish Office prefers to promote better health in a general wey.



effective is not shared by the medical profession in Scotland; "nor is this approach in line with that taken in most other Half of all heart attack

But the department has not monitored the outcome of its initiative, and the committee

says that in an area where so

many lives are potentially at

stake there is "an urgeut need to evaluate the effectiveness of such training."

ance and privete health care, offers cover for private treatment for heart-related conditions at an average annual cost of £30 per person enrolled in a corporate scheme. The scheme will stress the

importance of prevention as weil as cover the cost of treat-ment. Scheme members will be able to undergo heart assessment tests, and those found to be at risk will receive educational literature.

"Our intention is to encourage members to lead a healthier lifestyle, as undonhtedly the key to this major national problem is prevention through more education," Dr Michael Goldsmith, Medisure's medical director, said.

He gives priority to the exis-tence of a "close relationship between cancer and coronary heart disease, on the one hand, and stressed personality ou the He supports the need for preventivs medicine to reduce these conditions, but says the

usual recommended remedies of giving up smoking and adopting lower-cholesterol diets have little empirical sup-Rather, he argues, the likelihood of these diseases occuring in the future can be predicted with considerable accuracy on the basis of personality inven-tories inquiring into experi-

enced stress, and personality differences in dealing with On the basis of an analysis of three studies of groups of individuals, he concludes that personality is about six times as important as such factors as blood pressure, cholesterol or

smoking in explaining heart disease and cancer.

The results of the research. suggests Prof Rysenck, indi-cated that only about 20 per ceut of the population was prone to coronary heart dis-ease or cancer. These people could be identified through questionnaires, and offered behaviour therapy to reduce the chances of developing the

"Ws have too long obeyed the shibboleth of 'smoking couses cancer and coronary heart disease,' hoping that quitting smoking would eliminate these two scourges. There are other, more important factors in the genesis of cancer and coronary heart disease, and it is time the medical establishment woke up to real-

Committee of Public Accounts: Coronary Heart Disease. Commons paper 249, HMSO, £7.40; H.J. Bysenck and R. Grossarth-Maticek. Preven-tion of Cancer and Coronary Heart Disease and the Reduc tion in the Cost of the National Health Service. Journal of Social, Political and Economic Studies, Spring 1989.

Countries for review named

By William Duilforce

THE Gatt Council yesterday listed the first dozen countries whose trade policies will be examined under the new review mechanism agreed by trade ministers in December. US policy had already been marked for review this year. Washington will now be joined by Australia and Morocco with the reports on all three countries scheduled for debate in the Gatt Council in December.

Reports on Sweden and one other country, most likely from Latin America, will be submitted to the council next spring. Canada, Hong Kong, Japan and New Zealand will be examined during the sum-mer, while it will be the turn of the European Community, Hungary and Indonesia in the autumn of 1990.

In its last session before the

summer break the council yes-terday:

icals and pesticides that have been banned in their home countries; their concern has recently extended to toxic Received agreement from the European Community that a disputes panel examine a US complaint about EC restric-

tions on exports of copper scrap.

Heard the US refuse for the sixth time running to comply with a Gett panel ruling

against its handling of patent infringement cases; Mr Rufus Yerxa, the US amhassador, said Mrs Carla Hills, the US Trade Representative, had started intensive talks with the Congress and businessmen on the circumstauces under which the US might be able to

• Heard Canada agree to accept e panel ruling against its complaint over e Jepanese levy on imports of certain spruce, pine and fir lumber.

• Grudgingly accepted a South Koreau request for more time to conform with a panel ruling that it should open its beef market; the Koreans said they were starting talks with the complainants, the US, Australia and New Zealand, and were ready to restore their import quotas to their pre-

The committee says the Scottish Office's view that its non-specific approach has been

> deaths occur within two hours of the first symptoms. In 1984 the Department of Health asked health authorities to consider training ambulance crews in advanced resuscitation techniques, so that treat-ment could begin before patients reached hospital.

Yesterday's public accounts committee report coincided with the introduction of what is claimed to be Britain's first privete health iusurance scheme related specifically to heart disease. The Lifeforce Heartcare Plan from Bristolbased Medisure, which advises

companies on medical insur-

All recent big campaigns to prevent heert disease have identified smoking, blood pres-sure and cholesterol levels in food as the big dangers. However, the value of the conventional health education approach is questioned in recent work by Prof Hans Eysenck, Emeritus Professor of Psychology at London University.



By Michael Cassell, Political Correspondent MR Nicholas Ridley, the Environment Secretary, yester-day moved to avert a Conser-

vative rebellion of non-government MPs by reducing the extent to which people paying a lower community charge will initially have to help cushion its impact on those living under higher-spending local

authorities.
Under Mr Ridley's concession, which was announced during chaotic scenes in the House of Commons, people expecting to see their poll tax hills falling will receive up to half of any gain in the first year. The balance of their "safety net" contribution – a maximum of £75 z year - will be restored over the proceeding

The community charge, a tax on individuals over the age of 18, is being introduced by the Government to replace the current rates scheme based on home ownership.

Mr Ridley, who said the standard poll tax would be about £275 when it is introduced next April, ran into immediate embarrassment in the Commons after his announcement.

Proceedings were brought to a halt by protests from MPs, alarmed at the possible electoral impact of people in low-er-spending, Conservative authorities having to subsidise others. Sir Bernard Braine complained that MPs could not obtain the details of Mr Rid-

ley's proposals.
Mr Ridley, who is widely

expected to leave the Department of the Environment in next week's cabinet reshuffle, was jeered by Labour MPs as he apologised over the absence of the poll tax documents. Eventually, the debate was restarted after Sir Patrick Mayhew, the Attorney General, had announced details of the

Government's law reforms. Several Tories remained unsatisfied with Mr Ridley's package, claiming that many efficiently-run Tory councils would still be expected to bail out, over the four-year transition period, more profligate, Labour-controlled authorities. Sir Rhodes Boyson, a leading critic of the "safety net" pro-

posals, attacked the scheme, claiming that the transfer of

funds from provident to improvident local councils undermined the entire basis of the poll tax. It was intended to be a system under which "you paid for what you voted for,"

Mr Ridley repeatedly attempted to demonstrate that Labour's "twin tax nightmare" proposals for a reform of the rating system would lead to universally higher bills for local services. But there was more concern on the Tory benches about the Government's own proposals.
Mr John Cunningham.

Labour's environment spokes-man, claimed that ministers were now "enmeshed in their own, ramshackle safety net



Ridley: making concessions

Dockers return to work in three ports

By Jimmy Burns, Labour Staff

PORT EMPLOYERS last night claimed a significant break-through on the 10th day of the docks strike as more than 400 dockers in three ports returned

Those ending their strike in support of a new national agreement to replace the Dock Labour Scheme - which regulated employment and conditions in most of Britain's ports - included the majority of dockers at Grimsby and Immingham on the east coast, the fourth-largest port opera-

tion in the country.

Dockers at the smallar ports of Boston, Lincolnshire, and Barrow in the north-west, also went back to work yesterday, and there were reports last night that more dockers were expected to end their strike

today at other ports. Mr John Connolly, the TGWU transport union's national docks officer, who has called a meeting of dockers leaders today, acknowledged

an "important factor" because of the size of the port.

He also indicated for the first time publicly that the TGWU could end the strike if the drift back to work gathered pace. However, he insisted that it was "early days" in the dispute hecause there was still solid support for the strike among a majority of the former regis-

tered dockers, including those at the ports of Tilbury, Liverpool, Hull and Southampton. By yesterday, almost 2,000 dockers had returned to work. That figure includes the return to work on Monday of dockers at Rochester and Poole. A further 1,950 dockers have taken redundancy. Mr Connolly said that the 33 ports still on strike mean that the dispute was between 75 per cent and 80

per cent" effective. The National Association of Port Employers said 90 per cent of trade was "getting through" in ports not on strike, as well as in those not that the return to work at registered under the Dock Grimsby and Immingbam was Labour Scheme.

Pay offer likely in Tube row

LONDON Underground railway is this morning expected to offer increases of between 8.5 per cent and 11.75 per cent to the three unions involved in the long-running tube dispute, writes Fiona

Leaders of the National Union of Railwaymen, the Aslef train drivers' union and the TSSA white collar union are to meet London Under-ground for talks in a bid to resolve the three issues at the heart of the dispute.
Aslaf yesterday announced

that it would hold its fourth 24-hour Tuhe strike on Wednesday. Aslef's strikes have coincided with the last four of the five 24-hour stoppages by the NUR.

Management is expected to

increase its rejected 7.25 per cent pay offer to 8.5 per cent, with no strings, for all 20,000 staff, backdated to April 10. The most intractable issue is the train drivers' claim for an additional £64 a week for driv-

ing one-person-run trains.

Ing one-person-run trains.

London Underground said yesterday it would repackage an offer it made in May which raised the basic offer to 3,707 drivers and guards to 10.5 per cent. The offer will be raised

Rail union calls for sixth 24-hour strike

By Flona Thompson

THE NATIONAL Union of Railwaymen yesterday called a sixth 24-hour rail strike for next Wednesday.

Mr Jimmy Knapp, General Secretary of the NUR, said his 21-strong executive had voted unanimously for the stoppage.

The decision was prompted by British Rail's refusal yester-day to return to the concilia-tion service, Acas, to discuss its 8.8 per cent pay offer, be

The union's position was clear. "We don't believe 8.8 per cent deals realistically with the chronic problem of low pay and long hours.
"A base rate of £105.30

"A base rate of £105.30 remains low by any standards. Even at the higher levels, skilled technicians will be on a base rate of £155.70 a week."

"To put it bluntly," be said, "the 8.8 per cent will do nothing to halt the level of overtime worked by these skilled grades which caused so much public concern at the time of

public concern at the time of the Clapham tragedy.
"Why won't BR do some-thing to tackle long hours when nearly a fifth of railway workers work 60 hours or more a week? The only way we can do this is by addressing basic

rates," Mr Knapp said. BR had the resources he

claimed. Mr Knapp acknowledged the "considerable progress" made on the question of bargaining

But the agreement the NUR thought it had reached at Acas was not set out in BR documents sent to the union, he said. Omissions had to be corrected and the place to do that

was Acas. BR said yesterday it would return to Acas for further talks on bargaining machinery, but only if the NUR called off its industrial action. It refused to reopen discus-

sions on pay, insisting its 8.8 per cent offer was final. In his letter to Mr Knapp, Mr Paul Watkinson, BR's Employee Relations Director, said: "I have to advise you that the Board is not willing to reopen negotiations,"
Mr Watkinson said further

meetings were necessary on bargaining, but "this issue is so important that it is difficult to see proper negotiations being conducted under a con-stant threat of strike action." Talks could resume once the union called off his action, he

Minister confirms shift in EC approach

By Philip Stephens

SIR Geoffrey Howe, the Foreign Secretary, yesterday confirmed a significant reappraisal of the Government's approach to Europe following its defeat last month in the elections to the European Par-

In a speech in London, Sir Geoffrey emphasised the Gov-ernment's willingness to cede sovereignty to the European Community to increasa its influence in shaping interna-tional policymaking and serve Britain's own national inter-

ests better.

His upbeat view of the benefits of EC membership followed signs at Westminster that Prime Minister Margaret Thatcher is reassessing her own stance on Europe follow-ing the election defeat and last month's Magrid summit

The Prime Minister surprised a meeting of Conserva-tive peers earlier this week with her emphasis on the advantages of closer European co-operation.

Although she criticised the European Commission's plans for a new social charter, Mrs Thatcher dropped the stri-deutly anti-Brussels tone which characterised her speeches during the election campaign.
Whitehall officials con-

firmed that the failure of the "nationalist card" to prevent a heavy defeat for the Conservatives in the poll for the Strasbonrg Parliament had prompted a revaluation of the Government's presentation.

The shift had also been encouraged by the perception that concessions at the Madrid summit had enabled her to head off a high-level confron-tation with Britain's European partners. The summit had persnaded ber that Britain's interests lay in providing alternative blueprints for European integration rather than by simple opposition.

Sir Geoffrey said yesterday that it was scarcely possible to see Europe as "anything other than the basic lever for Britain to exercise the influence it wishes [to have] in the world."

Government stands firm on reform of legal profession

By Raymond Hughes and Robert Rice

THE Government is to press ahead with radical reforms of the legal profession, despite fierce opposition from the profession and the judiciary.

A White Paper (policy docu-ment) published yesterday makes few concessions to crit-ics who claimed that the reforms involved unacceptable state interference and sounded the death knell of an independent Bar, the barristers' profes-sional body. Lord Mackay, the Lord Chan-

cellor and architect of the reforms, yesterday claimed to have removed the spectre of state control.

He asserted that alterations

to the controversial proposal for an advisory committee with wide-ranging oversight of the profession had made it fully independent of Government.
"We have taken out the elements of executive interference as seen by the profession," he

The policy document says that the committee's role will be "purely advisory." It will regulate its own proceedings and appoint its own secretar-iat, which will not be made up of civil servents. Under the original proposal the committee's staff were to have been drawn from the Lord Chancel-

lor's Department. Senior judges will be given a more significant role in relation to the committee. They will oversee, with the Lord Chancellor, rules governing the profession drawn up by the Bar and the Law Society on the committee's advice.

However, the Bar Council yesterday said the committee remained "another govern-ment-appointed quango" which able interference with the

judges."
Lord Lane, the Lord Chief
Justice, described the discussion paper which first mooted the idea of a committee in January as "one of the most sinister documents to emanate from government."

The Law Society broadly welcomed the policy paper. Sir Richard Gaskell, the Society's

president, said: "We are particularly pleased by the cutback in the sweeping powers of the advisory committee. As now proposed, it is something with which we can work."

Mr Desmond Fennell, chair-man of tha Bar, said: "We recognise some of the changes are for the better. Unfortu-nately, proposals remain which need to be opposed in the public interest.

The Consumers' Association said the reforms were "a major victory for consumers." Lord Mackay yestarday denied that the policy docu-ment represented a climbdown or a compromise by the Gov-

"I believe we now have an improved framework through which to achieve our aim of increasing access to justice and

improving legal services," he The key principle that there should be a free competitive

market, giving the consumer the widest possible choice of cost-effective legal services, is undiluted. The barristers' traditional

monopoly of the rights of audience in the High Court, Court of Appeal and House of Lords will be broken by giving suitably-qualified solicitors the opportunities to achieve such rights in all courts. Solicitors will also be eligible

to become judges of the higher courts. Building societies and banks

will be allowed to offer convey-ancing services to their bor-rowers, provided they compete fairly and safeguard the interests of their clients.

Statutory barriers to solicitors entering into partnerships with members of other profes-sions will be removed. It will be up to the Law Society and the Bar to decide whether to permit their members to form such partnerships, but any rules they make will have to avoid anti-competitive restric-

The barriers to multi-national partnerships with lawyers from other countries will also be removed.

NOTICE OF REDEMPTION

The St. Paul Companies, Inc.

71/2% Convertible Subordinated Debentures Due April 15, 2000 Conversion Frights Expire at the Close of Business at the Offices of the Agent and Paying Agents Listed in This Notice On August 21, 1988

NOTICE IS HEREBY GIVEN that, pursuant to the optional redemption provisions of Article Eleven of the Indenture, dated as of April 15, 1985, between The St. Paul Companyles, Inc. (the "Company") and The Chase Manhattan Bank, N.A., as Trustes, the Company has elected to redeem and will redeem on August 21, 1999 (the "Hedemption Date"), all the Company's outstanding 71/16 Convertible Subordinated Debentures Due April 15, 2000 (the "Debentures") at 105% of their principal amount, plus accrued and ompaid interest to the Redemption Date in the amount of \$26.25 for each 51,000 principal amount of Debentures, for a total redemption price of \$1,076.25 for each \$1,000 principal amount of Debentures (the "Redemption Price").

. Inversion right described below will expire at the close of business at the offices of the Paying Agents on August 21, 1989. The Debantures will no longer be deemed ing on or after the Reciențion Date and, except for the right of the holdens to receive raption Price, all rights with respect to the Debentures will cease after the Redemption

ers of Debentures have, as alternatives to redemption, the right to sell Debentures i usual brokerage lactifies and the following further rights: sion of Debentures into Common Stock

Conversion of Debenitures into Common Stock

The Debenitures are presently convertible into Common Stock of the Company (the Common Stock) at the conversion price of \$53,625 per share; at such conversion price, each Debeniture in the principal amount of \$1,000 is convertible into approximately \$2,74 shares of Common Stock (rounded to the nearest 1/100 of a share). No fractional shares of Common Stock (rounded to the nearest 1/100 of a share), No fractional shares of Common Stock (rounded to the nearest 1/100 of a share). No fractional shares of Common Stock will terminate at the close of business at the offices of the Agent and Paying Agents, on August 21, 1988, and after that date the Debenitures will no longer be convertible into Common Stock will terminate at the close of business at the offices of the Agent and Paying Agents, on August 21, 1988, and after that date the Debenitures will no longer be convertible into Common Stock. Units such time, holders of Debenitures have the right to so convert their Debenitures at The Chuse Marihattan Bank, N.A., (the "Agent") and paying agents, as Isted herein (the "Paying Agents"), by delivery of the Debenitures to one of the addresses specified below, accompanied by duly secured written notice, which may be in the form contained in the Letter of Transmittal endices of herewith, that the holder elects to convert such Debentures and stating the name or names (with address) in which the stock certificate(s) is to be sured. If more than one Debenture is sumendered for conversion at any one time under the same Letter of Transmittal enditor by the same holder, the number of full shares of Common Stock is which any holder would, except for the provisions of this paragraph, be entitled upon conversion of any Debentures will be computed on the basis of the aggregate principal amount of the Debentures sourrendered. In lieu of any fraction of a share of Common Stock is which any holder would, except for the provisions of this paragraph, be entitled upon conversion of any Debentu

fractional share) having a market value greator trial a research and stay metabolic free of their Debentures.

Each conversion shall be deemed to have been effected immediately prior to the close of business on the date on which such Debenture and all unmatured coupons shall have been surrendered and written notice of conversion sufficiently completed shall have been received by the Agent or Paying Agents at one of the addresses specified below, together with appropriate documentation. At such time the rights of the holder of such Debenture as a holder will casse, and the person in whose name any certificate of ordificates for shares of Common Stock shall be issuable upon such conversion shall be deemed to have become the record holder on that date of the shares represented thereby. uses for Delivery of Debenturos for Conversion or Redemption

To surrender Debentures for conversion or redemption, you must deliver your certifi-presenting the Debentures and all unmatured coupons to the Agent or any Paying Age

(For Registered Debentures only) By Hand or Mail

This Notice is not intended as a solicitation or as advice to convert your De in summary, you have the following three afternatives:

(a) To convert your Debentures by the close of business at any Agent or Paying Agents on or before August 21, 1989 into Common Stock at a conversion price of SSL825 per share, or 29,74 shares of Common Stock (rounded to the nearest 1/100 of a share) local \$1,000

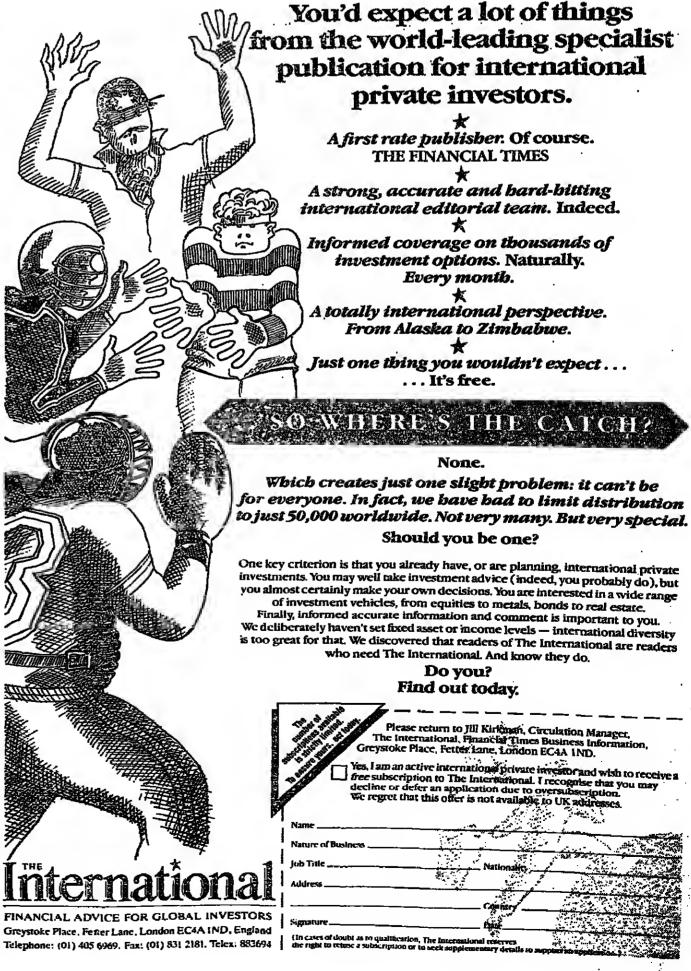
The Company has been advised that under present United States Federal Income tax law a holder will not recognize any gain or less upon conversion of the Debentures Into Common Stock, except that such hotder will generally recognize gain or loss to the extent cash is received in lieu of tractional shares. However, a holder will generally recognize taxable gain or loss in the exent Debentures are sold or redeemed. Holders of Debentures should consult their own tax advisors as to Federal, state and local income tax treatment applicable to them, on conversion, sale or redeamption. Fallure to convisions and return a Form W-9 or the Substitute Form W-9 or a Form W-9 for non-United States residents may result in back-up withholding of any payments made to you on redemption, sale or conversion of your Debentures.

A Letter of Transmittal should accompany Debentures surrendered for conversion. Additional copies of the Letter of Transmittal may be obtained from the Agent or any Paying Agenta listed

THE ST. PAUL COMPANIES, INC

Dated: July 20, 1989

UK ECONOMIC INDICATORS ECONOMIC ACTIVITY- Indices of industrial production, manufacturing output (1985 = 100); engineering orders (£ bilition); retail sales volume (1985 = 100);retail sales value (1985 = 100);registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted. 255.2 244.3 244.9 242.3 240.3 251.2 245.2 235.3 2,364 2,229 2,101 2,228 2,192 2,193 2,193 2,195 2,837 226.7 229.2 229.1 222.9 222.1 216.2 226.4 1968 1st qtr. 2nd qtr 3nd qtr 4th qtr. August Septemb October 1969 1st qtr. Januar Februss March April Mayon 100.4 100.4 160.3 100.5 100.5 ney supply MO, M1 and M3 (annual percentage change); benk 3,651 4,173 3,162 3,768 1,777 621 1,563 786 518 8.50 9.50 11.50 12.70 72.80 12.00 12.00 13.80 REFLATION-Indices of earnings (1985=100); basic materials and fuels; wholesals manufactured products (1985=100); basic materials and fuels; wholesals commodity index (Sept 1931 = 100); trade weighted value of storting (1975=100) 75,3 77,6 75,9 77,6 76,5 76,2 77,1 75,0



Robert Rice explains that the Government has remained true to its guiding principle of extending competition

HE Covernment's original plans for reform of the legal profession were attacked as leading to creeping state control and threatening the profession's independence.

independence.

In publishing a white paper yesterday, the Government went as far as it could to meet those criticisms while remaining true to its guiding principle – to open up legal services to greater competition by sweeping away monopolies and restrictive practices.

Despite expectations of a

Despite expectations of a climbdown in the face of fierce opposition from the Bar and the judiciary, there are few substantive changes to the original proposels. original proposals.
The principles of wider

rights of audience for solicitors (ending the barristers' monopoly on advocacy in the higher courts) and the proposal to allow the financial institutions to carry out conveyancing (ending any remaining monopoly on conveyancing enjoyed by solicitors) are retained.

The most significant change is in the structure and role of

the advisory committee on edu-cation and conduct. Under the original green paper proposals the committee would have been responsible for advising the Lord Chancel-

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CATA PLAT

A STATE OF THE STA

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lor on education and training schemes, and on codes of con-duct and for racognising spe-

The rules governing educa-

professional bodies - subject to principles set out in statutory instruments made by the Lord Chancellor, acting on the committee's advice, after consultation with the judiciary and subject to Parliament's

It was this proposal that led the judges and the Bar in par-ticular to talk about state control and a significant transfer of power to the executive from the independent professions and from the judiciary.

Under the new proposal the committee will have a purely advisory role. Its prime function will be to give advice to all bodies authorised to grant their members rights of auditments and the control of ence and the right to conduct litigation. It will advise the Lord Chancellor and the heads of the four divisions of the High Court on arrangements mada by the professions for ensuring proper standards of

ensuring proper standards of competence and conduct.

The Law Society and the Bar, the Lord Chancellor and the judges will be required by statute to have regard to the committee's advice in the discharge of their statutory functions. The committee will report to Parliament on all report to Parliament on all aspects of its work, and will be wholly independent of govern-ment. The majority of its staff

will not be lawyers.

The change had been fore-shadowed by Lord Mackay. It bears a remarkable resemblance to the independent



Lord Mackay announces his proposals

will be welcomed by the professions, because it re-emphasises the importance of their self-regulatory role.

In relation to rights of audience for solicitors in the higher ence for soficitors in the ingher courts, for example, it will be for the Law Society to draw up rules and regulations governing which of its members may exercise rights of andience in which courts, acting on the committee's advice.

Those rules will then need the concurrence of the Lord

the concurrence of the Lord Chancellor and the four senior judges, again acting on the advice of the committee, before

the committee might be

funded. The white paper says funding will be "by a grant-in-aid from the Lord Chancellor's Department on similar lines to the Legal Aid

lor after consultation.

the client for legal services.

business and the maintenance

of professional standards in

The lawyer members will be

two practising barristers and two practising solicitors - the

proposal in the green paper that they would be appointed after consultation with the Bar

Council and the Law Society

does not appear in the white paper - and two academic

Where the green paper said that the committee's chairman

would be "a judge," the white paper says that he shall be a Law Lord or an Appeal Court

or High Court judge.
The committee's main func-

tions remain much the same as

those originally proposed: to advise on lawyers' education

and training on the rules of conduct to be observed in the

provision of legal services; on the provision of legal services by professional bodies other

All the committee's work will be public and it will make

an annual report to Parlia-

a profession providing legal services, of the judiciary or the Lord Chancellor himself will be able to refer matters to the

for itself bow such references

Legal Services: A Framework or the Future, Cund 740,

HMSO: £8.90.

Any member of the public, of

n the Bar and the Law Soci-

other professions."

they can come into operation. The same process will have to be followed in relation to new rules of conduct, and those governing the conduct of litiga-

The role of the judges in this advisory process has thus been formalised. In the original plans the rules would only have had to satisfy the Lord Chancellor — who had nevertheless stated that his decisions would be taken only after consulting the judges. But the new role of the judges cannot be said to amount to the much

talked about "veto." It gives them a right of concurrence.
In practice it is difficult to see that this will amount to much more than a rubber-

If the Law Society in draw-ing up its rules on rights of audience for solicitors sticks-firmly to the advice it receives from the advisory committee, and the rules satisfy the Lord Chancellor in the light of advice he has received from the committee, it is difficult to see that the judges would be able to block them - particu-

larly when they themselves will be under a statutory duty to have regard to the commit-tee's advice.

While appearing to bring them more into the consulta-tion and decision-making pro-cess, Lord Mackay may have done no more than effectively

box them in.

In many other instances the white paper has left final decisions on specific issues to a

There is no ban on barristers being allowed to enter into partnerships with solicitors. Instead the Lord Chancellor has shifted the responsibility for deciding such issues back to the professional bodies. However, the rule in the Partnership Act which prevents barristers practising in part-nership with each other has

not been removed.

The statutory prohibition on the formation of partnerships between solicitors and other professionals will be removed and the matter left to profes-

and the matter left to profes-sional rules.

The Bar Council and the Law Society will continue to be able to make rules preventing such partnerships if they so wish, but they will have to jus-tify them to the new competi-tion anthority outlined this week in the white paper on restrictive practices.

restrictive practices.
This is unless they can satisfy the Lord Chancellor after consultation with the Director General of Fair Trading that the rules are necessary in the interests of the administration of justice. If the Lord Chancel-lor decides that they are, the rules will not be prohibited under the new competition legislation.

The Law Society, conscious of the Government's thinking on multi-disciplinary partnerships, may hesitate before deciding whether to implement rules banning such mixed prac-tices. It knowe — through the publicised views of Sir Gordon Borrie, Director General of Fair Trading – that rules banning solicitors from entering into mixed practices are unlikely to satisfy any competition euthor-

ity.

The Bar on the other hand will almost certainly make rules banning barristers from entering into such partner-ships. It must gamble on the known opposition of Sir Gor-don to allowing barristers to enter into such arrangements.

A decision on whether barristers and solicitors employed by the Crown Prosecution Ser-vice should be allowed to present cases at jury trials in the Crown court has been deferred by saying that any change to the present rules governing rights of andience for

employed advocates will be a matter "for early consideration by the advisory committee."
In view of the known opposition of the Sir Patrick Mayhew QC, the Attorney General who as head of the CPS and nomi-nal head of the Bar found himself in some difficulties on the issue, it had been expected that the proposal would be dropped.

POLITICS is never less than a careful balancing act, but the Government's controversia plans to overhaul the legal professions have required – and will continue to require – a particularly delicate perfor-

Mackay has

to strike a

delicate

balance

By Philip Stephens,

The muted public opposition at Westminister yesterday to at Westminister yesternay to the revised package of mea-sures presented by Lord Mackay, the Lord Chancellor, must have boosted his confi-dence that he had managed to come close to striking the right balanc

But as the fine print of the white paper came under the critical scrutiny last night of his critics in the Honse of Lords, it was clear that legisla-tion to implement the changes will still be far from uncon-

Since the publication earlier this year of his proposals to inject much greater competi-tion into the country's legal services, Lord Mackay has had to weigh two sets of opposing

The fundamental driving force has been Mrs Margaret Thatcher's determination to push ahead with a general commitment to curb the power of vested interests and generate increased efficiency and more choice for consumers.

A Government eager to take on the trade unions and to break down restrictive practices across a range of indus-tries and professions could not be seen to be flinching in the face of opposition from highly-paid judges and barris-

With a few notable exceptions, it is an objective for which Mrs Thatcher can rely on the overwhelming support of Conservative MPs in the

House of Commons. However, the intensely bos-tile reaction which the original green paper proposals received from the Bar and in the House of Lords indicated from the outset that political realities would force the Government to compromise.

With nearly 50 peers, including the most prominent Law Lords, speaking against the plans during a debate in April, and Mr Patrick Mayhew, the Attorney-General, reportedly ready to resign, it was clear that market forces could not be allowed a totally free

Lord Mackay was told by Conservative party managers that, even if they drafted in support from their "back-woods" members, it would be impossible for the plans to get through the House of Lords in their original form.

In the process, the Govern ment, already weighed down with other controversial legisation in such areas as the National Health Service, would probably suffer a series of damaging political

defeats. So yesterday's modified proposals were seen at Westminis-ter as attempting to weigh the tion against reasonable assur-ance that they would emerge

relatively unscathed out of the House of Lords. Lord Mackay implicitly acknowledged as much when he commented yesterday that they were designed to "repre-sent an appropriate balance between encouragement of competition and the maintenance of standards in the

administration of justice and the provision of legal ser-

In political terms, the key changes were those designed to defuse criticism that the new system to introduce extended rights of audience in the courts and of laying down codes of practice for the pro-fessions threatened to concentrate authority in the state at the expense of the indepen-dence of judicial system.

So Lord Mackay yesterday placed the emphasis on his commitment to the indepenadvisory nature of his pro-posed new advisory committee and on the Bar's right to decide whether to allow joint practices with solicitors, all of which were warmly welcom in the Lords. The formalised role given to the four most senior judges also drew sup-

But if the initial reaction was encouraging, it was far from clear that this will ensure an easy ride when the legislation is published in the antumn. Some peers voiced donbts over whether the senior judges would in practice be able to exercise any form of veto, while others remained unconvinced that the present division of respon-sibilities between preparations of a case and advocacy would

be safeguarded. Lord Hailsham, the former Lord Chancellor, was said to have indicated that he was far from satisfied with the revised proposals and a number of other senior peers suggested that they would be carefully studying the fine print before

tion and training and conduct Legal Advisory Commission were to be determined by the proposed by the Law Society. It

ADVISORY COMMITTEE

Emphasis is shifted to ensure that judiciary has 'central role'

THE PROPOSAL for a Lord Chancellor's advisory commit-tee on legal education and conduct was the focus of much of the criticism of Lord Mackay's green papers. It was seen as creating machinery enabling creeping government control of the legal profession and the provision of legal services. ..

The white paper recognises the strength of feeling on the issue and provides for the committee to have a purely advi-sory role, to be "operationally fully independent of govern-ment" and for the judiciary to have a "central role." Referring to erificism of the

green paper proposal, the white paper says: "A recurring argument was that the func-tions to be given to the Lord Chancellor, in the interests of furthering consistency between standards applied by various professional and other bodies, represented a significant transfer of power to the executive from the independent professions and indeed from the judi-

ciary.

"It was suggested that the advisory committee would not itself be fully independent of the Government, and there was wide concern that it should have an independent secretariat. Many members of the legal profession were con-cerned that the majority of the advisory committee's members

would be non-lawyers.
"The Government has considered these views with great care. It continues to believe that some form of advisory system is required to ensure that matters of public concern and interest are properly and publicly considered in a reasoned.

way."
The white paper gives the judiciary a greater role in relation to the committee: instead of the Lord Chancellor being to "consult" the required to "consult" the judges before making any deci-sion based on the committee's advice, the committee will now advise the Lord Chancellor and senior judges" — the Lord Chief Justice, The Master of the Rolls (the head of the civil appeal court), the President of the Family Division, and the Vice-Chancellor, the senior Chancery Division judge - on arrangements for ensuring appropriate standards of com-petence and conduct in the provision of legal services.



Sir Desmond Fennell, chairman of the Bar

The "concurrance" of the senior judges will be required for new professional regulations or code, prepared by the professional bodies advised by the advisory committee, to be effective.

The white paper recognises the strength of feeling on the issue much of it centred on what was seen as creeping government control of legal services - and provides for the committee to be 'operationally fully independent

Where the green paper pro-posed that the committee's secretariat should be provided by the Lord Chancellor's Department, the proposal now is that the committee will appoint its own staff who will not be civil

of government.

"The variety of experience represented by the start of the Law Commission, which comprises people with back-

prizes people with backgrounds in the universities and
legal practice as well as the
Civil Service, may be a useful
model for the advisory committee," the white paper says.

The green paper made no
mention of how the work of

MISCELLANEOUS

Solicitors given clearance to become senior judges

THE white paper opens the way for solicitors, as well as barristers, to become judges at the highest levels - subject to their having had the appropri-ate rights of audience in the various levels of courts for specified periods. The Government regards it

as a matter of great impor-tance that the highest standards of intellect and character should be maintained in appointments to the judiciary." "The prospect of appointment to the Bench should also be an encouragement for the men and women who have made the law their career to reach the highest standards of service to the public," the white paper says.

• A Legal Services Ombuds

man, independent of the Govermient and the legal profes-sion, will replace the Lay He will have wide powers to examine the way in which

complaints against legal practi-tioners have been investigated by the professional bodies, to investigate such complaints himself, and to recommend payment of compensation. His jurisdiction will cover both professional misconduct and negligent or sloppy work." Creation of a joint Bar and Law Society disciplinary body, involving judges when appro-priate, will be considered. It would provide a common mechanism and standards in dealing with complaints about

Plan for

AUDIENCE

certification of advocates is dropped

THE controversial proposal for the certification of advocates - licensing them according to experience - has been

in spite of opposition from the profession, Lord Mackay is sticking to his decision to have a lay majority on the 15 strong committee, although the white tropped.

The measure had been seen as tantamount to fusing the two branches of the legal propaper goes into greater detail about the type of person to be appointed by the Lord Chancelfession and spelling the death of an independent Bar: The white paper says that

critics had argued that the pro-The lay members "will be selected to ensure that they are posed system of certification was too complicated, might not able by character and experience to represent . . . the interests of the public and of adequately recognise the existing diversity of legal practice, and risked executive interference in the courts. "Particularly relevant will be expertise in, or knowledge of, the provision of legal services, the work of the courts, social conditions, consumer affairs,

The proposal now is for the professional bodies - principally the Bar Council and the Law Society - "to satisfy the public that their members can meet the high standards of competence and conduct required for rights of audi-

Barristers will retain their present rights of audience in all courts. The Law Society will be able to recognise a solicitor as qualified to be an advocate in any specified level

of court. Any lawyer - barrister or solicitor – with a right of audience in the High Court or the Crown court will be eligible to be appointed a Queen'e Coun-

The white paper says: "The Government continues to believe that the public should have the widest possible choice amongst properly qualified advocates, who should be free to compete fairly with one another for the business available from clients.

The Government therefore proposes to create a statutory framework which will permit extended rights of audience, both for present advocates in more courts and for new clas-

The white paper notes, how-ever, that those responding to the green papers had accepted the principle that barristers— as specialists in pleading before the higher courts— should be enabled to appear before all courts more quickly than others who wish to work as advocates.

as advocates.
"That has permitted a substantial simplification of the green paper proposals," it says.
"The Government therefore proposes that it should be for the professional bodies and other constitutions to detail other organisations to determine that particular persons are qualified in accordance with the appropriate rules to appear in the courts. The standards they apply, and the mechanisms by which they monitor those standards should, however, be subject to independent scrutiny and pubhe comment.

Professional rules of conduct will remain the responsibility of the Bar Council and the Law Society. Any rule changes will be subject to the concurrence of the Lord Chancellor and the senior judges of the Court of Appeal and the three divisions of the High Court.

The white paper says the rules will determine the training and experience necessary for e solicitor to have rights of audience in a particular court. It is likely that many solicitors will find their existing rights adequate for the work they wish to do.

HOUSING CONVEYANCING

Action on conflicts of interest

By Richard Waters

THE GOVERNMENT has stuck firmly to its original intention of opening up the market for housing conveyancing ser-vices, allowing mortgage lenders among others to compete for business, in spite of what it says was "a great deal of comment" on the green paper proposals. In an attempt to reinforce

protection for bouse buyers and sellers, however, institu-tions offering conveyancing will have to follow a stricter code of conduct and will be excluded from acting where certain conflicts of interest Critics of the green paper argued that preconcilable con-

flicts of interest would arise if conveyancers - or the organisations for which they worked - were offering services to the buyer and seller of the same property.

They also claimed that the large financial institutions would corner the market for conveyancing, driving many solicitors out of business and

generally reducing the public's

access to legal services.

Responding to these criticisms, the Government has made the following amend-ments to its proposals: ments to its proposa · As part of the code of conduct for conveyancers, all buy-ers or sellers must be offered at least one personal interview with the lawyer or-licensed conveyancer handling their transaction. This interview

must be near to where they live or are moving to. The



Sir Richard Gaskell, president of the Law Society

interview will be used to review possible conflicts of interest and to advise the cli-ent on whether further independent legal advice is neces-

• Conveyancers will not be able to act for both buyer and seller of the same property, except in very exceptional cases (for instance, where buyer and seller are related companies). Also, conveyanc-ers cannot act if an estate agency to which they are con-nected is acting on behalf of the other party.

 There will be safeguards to prevent predatory pricing by new entrants to the conveyancing market. However, these are weaker than the green paper proposals, which would have

required independent enditors to confirm that conveyancing services were not being offered et below their true cost. Instead, conveyancers will have to send details of their prices each year to their regu-latory body and to certify that these provide them with a reasonable rate of return" on their costs.

 Conveyancing eervices should not be made conditional on other services being pro-vided by the institution, or vice versa. In other words, banks or building societies would not be able to force people borrowing from them to use their conveyancing services as well. The Government says it is consider-ing extending this ban to the so-called "tying-in" of other services to domestic mort-

The white paper claims that, with these additional safe-guards it is possible to increase the choice available to those who are buying or sell-ing their houses, and also to meet the concerns expressed about the need to avoid conflicts of interest and to ensure appropriate profeesional

In a further amendment with important implications for the financing of some small law firms, eolicitors will be required under the new arrangements to hand over to their clients any interest received on money they hold on the clients' behalf. Licensed conveyancers are already

MULTI-DISCIPLINARY PARTNERSHIPS

Decision to end 'undesirable inequality'

MULTI-diaciplinary partnerships between solicitors and members of other profes-sions are banned by the Solicitors Act and the Law Society's rules. Barristers are banned from forming such partner-ships by professional rules

"The Government believes as a matter of principle that this inequality is undesirable," the white paper says. "The Government also believes that the regulation of how the members of professional bodies organise themselves to meet their clients' needs is best left to the professions themselves, subject to a proper scrutiny to avoid unnecessary or undesir able anti-competitive effects."

removed. The Law Society and the Bar Council will continue to be able to make rules preventing such partnerships if they so wish. Those rules will be excluded from the prohibition on anti-competitive agreements in the proposed competition legislation only to the extent that this is justified by the needs of advocacy or the conduct of litigation. All barriers currently pre-

venting barristers and solici-tors from entering into multinational partnerships with non-UK lawyers will be

The white paper says the Government hopes that the professional bodies will speedily review their own rules to ships to be formed with law-

as quickly as possible. EC regulations govern only relations between member states, not between different legal jurisdictions within mem-ber states. This means that lawyers qualified only in one part of the UK already have, and will increasingly have, greater opportunities to practise in other EC member states than they do in other parts of the UK.

To remove this anomaly, regulations will be made which will ensure that English, Scottish and Northern Irish lawyers will have rights to practise throughout the UK at least equivalent to those available to lawyers from other EC coun-

Scottish system favoured as best model

THE WHITE PAPER proposes that contingency fees be permitted along the lines of the system already existing in

"stimulated a lively debate" on the acceptability in principle of any contingency fee arrange-ments, it says there was a clear consensus that it would not be right in principle for a lawyer to be permitted to undertake a

case in return for some part of any damages awarded.

That form of contingency fee was also thought likely to create an unacceptable degree of conflict of interest between the lawyer and his client, which would result in the lawyer being unable to give the client or the court impartial advice.

objection to the proposal to import into England and Wales the Scottish "speculative" model. This consists of payment of normal fees only if successful and some support for the proposition that the cli-ent and his lawyer should be able to agree a costs uplift.

nal and family (matrimonial, care and wardship) proceed-ings, which the Government believes are inappropriate for

conditional funding. It is also accepted that it would be reasonable for a lawyer who represents a client on such a speculative basis to balance the risk of losing the case and ending up with no costs by

The Lord Chancellor will therefore have power to prescribe by subordinate legislation, after consultation with the profession, the maximum amount by which a lawyer's costs can be increased - to be expressed as a moderate ratio

CONTINGENCY FEES

However, there was little

Noting that the green paper

"The Government accordingly proposes to remove the existing prohibitions to enable clients to agree with any or all of their lawyer's payment of a conditional fee on the speculative basis already permitted in Scotland. This relaxation will not, however, extend to crimi-

charging at a higher rate than he would otherwise have done.

of the normal costs - when working for a conditional fee. The legislation will recognise that different levels of increase may be appropriate for differ-

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GOLFCALL-

BT accuses Government of unfair telecoms policy

By Terry Dodsworth, Industrial Editor

BRITISH Telecom hit out policy in the telecommunications industry, claiming that official decisions were unfairly balanced against it in the UK. while the company was not receiving enough support in overseas markets.

The comments, made in a memorandum to the Commons trade and industry committee, were described by BT yester-day as the "first shots" in a campaign leading up to the Government review of the

industry next year.

Mr Iain Vallance, BT's chairman, was not questioned et all on these issnes in a brief appearance at the committee.

But the company made it clear that it had launched the initiative to try and stimulate support after a period in which it helieves it has been harshly it believes it has been harshly treated by the authorities.
This lobbying will be particularly important at the time of the review, which was initially seen as an opportunity to open the provision of telephone ser-vices beyond the present duop-

oly of BT and Mercury. BT believes that the rapid development of mobile telephone systems means that it will soon be exposed to much tougher competitive conditions than at present. In some of these areas, it adds, it is hav-ing to respond with one hand tied behind its back by government regulations.

The memorandum argues that apart from the fixed network operations, the company is not in an unduly dominant position. New competitors, many of them "very large multinational players," have not found market entry difficult, while the constraints placed on the company may inhibit the introduction of new technolThe company is particularly incensed about its exclusion from bidding for the recentlyproposed personal communication licences, which will allow pocket phone systems that will compete across a broad range

of telephone services.

Mercury, it says, is being given one of these licences although it has done none of the hasic research into the technology - a hurden which has been carried mainly by BT

At the same time, it says, the company is being given no help by the Govarnment overseas, although it has become vital for it to succeed in foreign markets to compensate for its loss of domestic sales. Whereas Britain is the most

open market in the world, the Government has done nothing to force the US to relax its restrictions on inward invest-

Brewers deny beer price rise is to pay for advertising campaign

By Lisa Wood and Simon Holberton

THE Brewere' Society beer price increases of np to 8p announced hy some hig

Its intervention came after Mr Bryan Gould, Labour's Trade and lndnstry spokesman, claimed brewers were now making consumers pay for the "dishonest and deceitful" campaign against the Monopolies and Mergers Commission report on their

The Brewers' Society said: "Wholesale price increases announced by some hrewery companies have absolutely no connection whatsoever with

the brewer's opposition to the MMC report and Lord Young's proposals for the industry and

"The actual cost of the brewers' campaign to protect puhs from the MMC's recommendations was less than one 50th of 1p per pint of beer consumed in the UK." The rise in heer prices

means it will take longer for inflation to fall from its current 8.3 per cent rate than the Government had hoped. Mr Nigel Lawson, the Chancellor, told Tory MPs on Tuesday not to expect an early cnt in interest rates. Whithread will increase the

price of a pint by 6p-8p in the south of England from July 31. Bass's beers in the north will rise by 4p-6p and lager by 6p on July 31st and those of Watneys are likely to increase hy 3p-31/sp in August.
Scottish and Newcastle's

Watneys said tha increase was directly linked with factors such as the rise in raw materials, energy, ratas, processing costs and wages.

Bass said the S per cent
wholesale price rise it was introducing at the end of the month was well helow inflation.

beers rose by 5p-7p a pint last

Traffic may rise 142% by 2025

By Kevin Brown, Transport Correspondent

NOTICE TO

MIDLAND BANK

ACCESS

CARDHOLDERS

Midland Bank plc announces

that the interest charged to its sterling

Access cardholders will be

increased from 2% to 2.20% per month

with effect from 1st August, 1989.

From that date the new rate will be applied to all interest bearing balances, cash advances and purchases

attracting interest for the first time.

This means that the

ANNUAL PERCENTAGE RATE OF

CHARGE WILL BE INCREASED

FROM 26.8% TO 29.8%

Condition 5 (b) of the Conditions

of Use will be amended accordingly with

effect from 1st August, 1989.

THE VOLUME of traffic on British Roads may grow hy up to 142 per cent by the year 2025, the Transport Department predicted yesterday.

It said overall demand for road space would rise by at least 83 per cent, and could increase by 142 per cent if economic growth require strong

nomic growth remains strong.

The increase in demand by the end of the century is expected to be between 27 per cent and 47 per cent. This is signifi-cantly higher than the previous forecast, issued in 1984. which predicted growth of between 10.6 per cent and 24.4 per cent over the same period. The department said it had accounted for each factors as stronger economic growth, changes in fuel prices, and the effects on demand of the Chan-

nel tunnel project and the single European market. Mr Peter Bottomley, the Roads Minister, said traffic was growing faster than predicted in the 1984 forecasts because of a more optimistic view of eco-nomic growth, reflecting

long-term structural improve-ments in the economy. The Government has announced plans to double the budget for roads construction and to step up road mainte-nance, delayed by a spending

moratorium last year.
The higher forecasts follow a report hy the Institution of Civil Engineers, which con-cluded there was "no possibility of solving congestion" — because of the lead time of 10 to 15 years for major projects. In a separate statement yesterday, Mr Bottomley rejected recent criticism by the cross-party Commons Public Accounts Committee of the Transport Department's forecasting methods, which said they were "fundamentally

Mr Bottomley said many of the PAC's criticisms related to old forecasts which had been overtaken by improvements in research techniques.

"The PAC gives the impression that forecasting is an exact science - it isn't. Given the difficulties of forecasting so many years ahead, the majority of the Department's recent forecasts have been reasonably accurate," Mr Bottomley said.

Treasury minute on 13-19 reports of the PAC 1988/89; mand 747, HMSO; £3.10.

A NATIONAL environment

was suggested by the commit-tee in its report on toxic waste earlier this year. But it was rejected by Mr Nicholas Ridley, the Environment Secretary.

"I still feel it is something

Prince says buildings no better than sheds

By John Hunt, Environment Correspondent

THE SHORT lifespan of many modern hulldings and the speed with which they are constructed are strongly criticised by the Prince of Wales in an article in a Financial Times

survey on architecture published today.

"I fear that in 30 years' time our children will cower as they pass these insubstantial hulks, afraid of being struck down by pieces of falling façade," he says. Some build-ings "are no better in quality nor more durable than a tin

Although the article continues the Prince's campaign against some aspects of mod-ern architecture, he sees encouraging signs that over the next 40 years Britain might produce huildings which will offer more pleasure

Prince Charles finds an increasing awareness of the value of creating buildings of character which do not reject character which do not reject the inspiration of architectural tradition. "Developers are beginning to acknowledge some of their responsibilities to the communities in which they huild," he says. Building is increasingly regarded as a grand manage-ment exercise with speed of construction the prime objec-

construction the prime objec-tive. This had a devastating effect on the durability of new buildings, Prince Charles says.

with factory-made panels of stone and hrick clipped on to a steel or concrete frame, sealed with mastic which had a life-time of 15 to 20 years, there is a danger that a 20 year life-span for hullding could become institutionalised, he

"The result is that buildings are becoming like cars, or any other personal goods or chattels. They become disposable and are quickly passed on." Snrvey, Page 39; Prince's article, Page 40

Shell cuts 4-star by 3p a gallon By Steven Butter

SHELL yesterday kicked off another round of petrol price cuts with the announcement that it would reduce the price of four-star fuel by more than 3p, to about 186.4p a gallon, from midnight tonight. BP announced a similar cut

of 3.5p per gallon, to take The cuts follow a lowering of the sterling price of petrol in Rotterdam, which UK refiners use as a guide for fixing

be selling at 176.4p a gallon. Shell prices have been cut by 9p a gallon in the past month.

Confronting a poll-tax time bomb

Richard Evans on Mr Ridley's attempt to appease angry Tory MPs

THE Government yesterday songht to defuse what was threatening to become a politi-cal time bomb, by changing IMPACT OF COMMUNITY CHARGE provisions for the safety-net which will cushion the impact LONDON: Bromley of the poll tax when it is intro-Haringey duced in England and Wales Islington Kensington and Cheisea Lambeth next April. Influential Conservative MPs had been horrified to learn that most of the local authori-ties that are set to lose from Liverpool the introduction of the poll tax, or community charge, were in Tory-held constituencies. Manchestel Newcastia upon Tyne In many cases, constituents were set to contribute close to the £75 maximum under the original terms of the safety-net

> planned to produce a hetter balance hetween gainers and

Sheffield

Woking

The new arrangements will mean that in areas where commean that in areas where com-munity-charge payers can expect to gain — because the charge will be less than their existing rates — nearly half that gain will come through immediately rather than be postponed until the second half of the four-year transition period, as originally planned. It

is now estimated that ahont 236 councils will see between 40 to 50 per cent of their gains in the first year.

As in the earlier proposals

the maximum amount of gain deferred will be £75 per adult, but whereas before it applied to a substantial number of local authorities, it will now apply only to a handful of the most significant gainers.

The other key announce-ment hy Mr Ridley was the

average community charge fig-ure across the country of £275, provided local authorities budget to spend in line with the Government's assessment. The 2275 figure is broadly in line with the existing average rate

bill per adult.

The actual charge in each area in the first year will depend, however, on the transidepend, however, of the trans-tional arrangements and the level at which local authorities choose to spend. The charge levels will not be known until

the autumn.

The background to the level of community charge given by Mr Ridley showed that in 1989-90 local authorities in England have hudgeted to spend about £30.3bn, which is £1.2bn more than the Government had provided for in the last rate support grant settlement and 9 per cent more than ment, and 9 per cent more than

Under the new system, the Department of the Environment's assessment of the amount appropriate for local anthorities to spend in provid-ing services in the next finan-cial year is £32.8bn. "This is a significant real increase on the amount the Government assessed authorities needed to spend this year," Mr Ridley

Posgate is

criticised by

co-defendant

Boroughs given £100m to aid takeover of London education

By David Thomas, Education Correspondent

A SPECIAL grant of £100m to help the inner London hor-oughs take over London education next year was announced yesterday hy Mr Kenneth Baker, Education Secretary. The grant, which will continue at a reducing amount each year for five years,

provisions to ball out other local authorities, mostly high-spending, Labour-controlled

councils which are set to intro-duce high community charges.

More than 20 Tory-held seats were thought to be at risk at the next election because of

the extra safety net provisions. Mr Nicholas Ridley, Environ-

ment Secretary, therefore faced the dilemma of how to launch a tax that will have very differ-ent effects in different parts of

the country without making

spread the impact of the safety net more than originally

the initial impact too severe. His answer has been to

formed part of the total community charge settlement announced yesterday hy Mr Nicholas Ridley, Environment

The 13 inner London bor-oughs, together with the City, will assume responsibility for education when the Inner Lon-don Education Anthority is abolished in April They have However, Mr Neil Fletcher, Ilea's leader, said the reason

been pressing for extra cash to cover transitional arrange-The Department of Ednca-

tion and Science said the grant would give the boroughs more time to reshape their service and squeeze out the overspending they will inherit from Labour local authority politi-cians in London reacted cau-

tiously to the announcement last night, saying they wanted to study the community charge settlement to see if the new grant genuinely represented

given by the Government for the new grant was hypocritical "We are being abolished because we are supposed to be a high spending authority and now Mr Baker is claiming he is pumping even more money in to accommodate the diseconomies of scale he is creating."

The precise distribution of the new grant between the bor-oughs will not be announced until the autumn. The Education Department refused to disclose how much additional grant would be

forthcoming over the five years, but it insisted that the money was a net addition to the educational budget.

Teachers step up pay campaign

By our Education Correspondent

THE SIX teaching unions are to seek information on teacher shortages from every school in the country in an attempt to maintain the pressure on the Government for more pay.

The initiative, agreed yester-

day at a meeting at National Union of Teachers headquar-ters in London, comes towards the end of a week in which growing teacher shortages

Occidental finds

oil near Claymore

OCCIDENTAL Petroleum

yesterday reported an oil dis-

By Steven Butter

domestic prices. Shell's unleaded grede will have caused the Government considerable embarrassment. The unions believe figures on shortages given in the Com-

mons on Tuesday by Mr Ken-neth Baker, Education Secretary, to be under-estimates. These suggested that 2 per cent of primary teaching posts and 1.3 per cent of secondary teaching posts were vacant in Janu-

ary.

The unions want the results of their survey to be available in September, in time to try to influence the remit given by the Government to the committee advising it on next year's teachers' pay settlement The Labour majority of the

local education anthorities, meeting yesterday in Swansea for their annual conference, also resolved to press the Government to devote substantial resources to next year's settle-

Separately, the NUT is to tell parents that failure to offer their children an adequate education is due to staffing problems and teacher shortages hrought about by the Government. This message will be dis-tributed in a model letter by

NUT hranches

By Kevin Brown, Transport Correspondent

THE CAPACITY of the way is to be doubled next year by the use of longer trains, Mr Michael Portillo, the Transport

Minister, confirmed yesterday.
A further increase is planned for 1991, when the delivery of new trains will expand the capacity of the railway to 6,500 passengers an hour compared to the transport of the railway to 6,500 passengers and hour compared to the transport of the research of the transport of the trans to the present 1,750. Improvements at Tower Gateway sta-tion are expected to be com-

hin are expected to be com-pleted next year.

Mr Portillo said the western extension of the railway from Tower Gateway to Bank was expected to start operating late next year using a single tun-nel. A second tunnel is due for

Capacity of Docklands railway to be doubled

> sion had been delayed by the scale of development work for a new station at Canary Wharf, and hy the complexity of

work at Bank.

"These developments show that the DLR is growing to meet the expanding public transport needs of Docklands," Mr Portillo told MPs.

nnderground construction

By Patrick Cockburn MR IAN POSGATE, the leading Lloyd's underwriter, was sharply criticised yester-day by Mr Kenneth Grob, his co-defendant in the trial of for-mer executives and directors of

Alexander Howden Group, the insurance hrokers, who are accused of syphoning off money from the company. Mr Groh told the jury at

Sonthwark Crown Court, London, that continued overwriting – undertaking more business than allowed by the rules of Lloyd's – by Mr Posgate produced a series of crises for Alexander Howden Group during the 1970s.

As a result, Mr Groh claimed, in 1974 the council of Lloyd's had threatened to remove Howden's name from the approved Lloyd's list. "It was a very serious situation,"

he said.

Mr Grob said he had appointed Mr Leonard Hart, an experienced retired underwriter, to keep a running check on Mr Posgate's activities and particularly on the amount of husiness he was undertaking. He continued to do the joh until 1981.

In a memorandum to Mr Hart about Mr Posgate read to the court, Mr Grob wrote: "Like you f think very highly of him, but he is unbalanced. Unless you are snpervising him he has to go because he has no discipline and is the enfant terrible of the market." Mr Posgate denies a charge of conspiracy to defraud How-den and his Lloyd's syndicates and an alternative charge of

conspiracy to steal.

Mr Gron denies 16 charges of theft, four of false accounting and three of publishing false statements.

Three other senior execu-tives of Howden were origi-nally charged together with Mr Posgate and Mr Grob but of these one, Mr Ronald Comeroy, was killed in a car crash and two others, Mr Allen Page and Mr Jack Carpenter, are considered too ill to stand trial

The trial continues.

29.00

32.30

Magistrates' system 'must change'

THE PRESENT "confused,

archaic and fragmented" struc-ture of Britain's local magis-trates' courts should be replaced by a new national

replaced by a new national executive agency, a Government-appointed scrutiny team recommended yesterday.

Under the proposed change the courts would be reorganised along the lines of the "Next Steps" strategy in the Civil Service, which involves the establishment of executive agencies in the public sector to deliver services at arms-length from government. from government.

The courts agency would be 100 per cent government-funded and accountable to the Home Secretary, but its director-general and staff would enjoy a wide degree of day-to-day independence.

Magistrates courts deal with 95 per cent of all criminal cases, cost more than £200m a year to run and employ around 10,000 staff. Mr Douglas Hurd, the Home Secretary, set up the scrutiny in January to make recommendations about the management structure of the service.

The existing structure dates from 1949 hut, says the scrutiny report, the courts retain the "local, part-time, almost amateur flavour of an earlier age." There was no coherent management structure for the service, and it was "impossible to locate clear management responsibility or accountability anywhere in the structure."

that it is not accusing the service of being profligate, and that some able managers are doing their best within the existing structure, it says it would be "difficult to think of any arrangements less likely to deliver value for money than the present ones."

The Home Office provided

most of the funds, but had little say in how resources were allocated or used. Local authorities, the immediate funding bodies, had too little stake in the service to provide an effective budgeting discipline. Magistrates' courts committees were too underdeveloped to plan or manage resources effectively. Most justices' clerks had little control over

who operate the system to be managed as an essentially local service. A national service with maximum delegation of managerial responsibility and control of resources to the local level would be the best way of ensuring efficiency. It would be essential under

the new arrangements for magistrates to have someone to whom they could turn locally as a source of authoritative legal advice, says the report. And the magistracy must be clearly protected from undue

scrutiny team suggest that the proposed agency would cost an initial f4m to start up, with continuing costs of up to £6m a agency, the report suggests areas in which magistrates' courts could improve their work involved.

Mr Hurd yesterday wel seeking initial responses by Legal reform white paper,

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protection agency for the UK based upon the present Health and Safety Commission was suggested yesterday hy Sir Hugh Rossi, chairman of the all-party Commons environment committee. covery in the North Sea, 2.6 miles west of its Claymore field. Sooner or later the Govern-ment will have to come round Occidental said further appraisal would be needed to assess the size of the find, ment committee. Developing the agency from the existing commission would remove the need for the Government to introduce legislation to establish it, he said. The idea of an agency independent of the Government was suggested by the commitalthough analysts were talking about a possible find of about

MPs propose agency to

protect the environment

By John Hunt, Environment Correspondent

that should be debated and not dismissed ont of hand," Sir Hugh told an Institution of Chemical Engineers toxic waste conference in London. to giving serious consideration to this particular matter."

The committee has looked at the work of the Environmental Protection Agency in the US, but Sir Hugh said that such a tough, regulatory body would not be suitable for Britain. However, the Department of the Environment had too many other responsibilities for it to effectively carry out an inte-grated pollution policy, he said.

40m harrels, possibly more depending on the results of further drilling. ther drilling. Mr John Brading, Occidental's UK chairman, said that the proximity of the well to the Claymore platform, with its production and pipeline facilities, would facilitate development should the find prove commercial

Although the report stresses

resources and little information about costs.

There was little evidence of a planned relationship between work and resources and, says the report, the scrutiny team found abundant evidence that the present arrangements were not delivering value for money. The report concludes that Britain's tradition of local jus-tice does not require the staff

influence by Government.

Preliminary costings by the

year. But efficiency improvements resulting from a better management structure could yield £11m a year. In addition to its main recommendation for a national

financial efficiency. These include quicker procedures for fine enforcement, greater use of civilian staff for duties currently carried out hy police officers, and charging the full economic rate for civil business and liquor licensing. One court examined was charging fees for licensing which covered less than one sixth of the

comed the report's "thorough and perceptive analysis of the problems facing the magis-trates courts service." He proposes to conduct consultations on the proposals, most of which would require legislation, and the Home Office is

BUSINESS LAW

New legal convention on sales

By A.H. Hermann

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San Caraller

consultative document circulated by the Department of Trade and Industry last month (to which responses are invited by the end of October) indicates the UK Government's intention to ratify the United Nations Convention on Contracts for the International Sale of Goods.

Goods.

The UK has been in no hurry to take this important step towards the unification of international trade law. The convention, adopted by a diplomatic conference in Vienna on April 11 1989, came into force on January 1 1988 when it was ratified by 10 states. Since then another 9 ratifications made it another 9 ratifications made it applicable in a world—span-ning network of countries of different economic and legal systems and in different stages the next four years member-ship will grow to some 40 to 50

countries.
The UK's hesitation over adopting these new rules, even though British experts took an important part in their formuimportant part in their formu-lation, is understandable. While the English and Scots commercial laws are not per-fect, and are bedevilled by many uncertainties, they are familiar to UK judges and com-mercial lawyers. The wide acceptability of the convention could be achieved only by numerous compromises and a certain fudging of the text; moreover courts of different countries may give its provicountries may give its provi-sions different meanings. These valid objections seem

be amply compensated for by the advantage of replacing a multitude of foreign laws now applicable to many foreign laws now applicable to many foreign transactions of UK traders by a single system of internationally adopted, uniform rules, whose interpretation by courts of different countries will be monitored by the UN Commission on International Trade sion on International Trade Law (Uncitral).

If this were the only advantage which could be derived from the convention, one could sympathise with the desire to restrict its application to sales between countries adhering to it. Such a restriction — one can read between the lines of the consultative document - seems to be favoured by the

The US has also opted for such limited application of the convention. However, US busi-nessmen have in the Uniform Commercial Code, now adopted

SOME of the convention's differences from UK law: Postal transactions: While in English and Scots law postal acceptance generally takes effect from the moment it is posted, the convention has different provisions, which mainly affect withdrawal of the acceptance

and the risk of its loss or delay in transmission. Price. In contrast to the Sales of Goods Act 1979 which is satisfied with the provision for a "reasonable price," the convention insists on an objective method of determining the price at the time of making the contract. Specific performance. While in common law specific performance may be ordered at the discretion of the court, circumstances when it must

be ordered.
Remedies. in addition to
"avoidance" (abandonment)
of the contract in case of fundamental breach, the convention, unlike UK law provides also for repair and substitution of delivered goods, and allows cure of faults after the expiry of the

clearly defined set of rules adapted to modern conditions of trading which is easily com-prehensible not only by US traders but also by their for-

eign partners.

UK traders, by contrast, have to make do with a bewildering profusion of judge-made and statutory rules, providing the English commercial bar with fascinating and profusible intellectual games, but perplex-ing foreign lawyers and arbi-trators. It might therefore help trators. It might therefore help UK exporters if the UK chose the other possibility offered by the convention, and made it applicable to all contracts of sale with foreign parties normally governed by UK law, even if the other party to the contract is in a country which did not adhere to the convention. Unless otherwise agreed by the parties. UK export sales by the parties, UK export sales are, as a rule, governed by UK law and the adoption of the second alternative would theresecond alternative would therefore bring the entire export trade of the UK under the convention, making British export quotations better understandable and more readily acceptable in foreign markets.

The convention was preceded by the so called Hague Uniform-Law, prepared by the International Institute for the

time for delivery. Damages. In cases where the contract was avoided and there has been a substitute transaction, the convention gives the party in default the benefit of a good bargain made by the aggrieved party. n. The convention rules concerning impossibility of performance differ in a number of ways from the English and Scots law of frustration. They are designed primarily as a defence against an action for damages.

Interpretation. The convention should be interpreted so as to promote uniformity in its application and the application and the observance of good faith in international trade. Gaps should be settled in conformity with general principles on which it is based and in their absence in accordance with the law which would be otherwise applicable. Statements and conduct of the parties are to be interpreted "according to the understanding that a

Unification of Private Law (Unidroit) and incorporated into UK law by the Uniform Laws on International Sales Act 1967. These rules had their roots in the early 1930s. The roots in the early 1980s. The reluctance of communist and developing countries to accept them led to their replacement by the convention. The Hague rules made little impact on practice, as they were applicable to contracts only by agreement of the parties.

reasonable person of the same kind as the other party would have had in the same

ment of the parties.

By contrast, the convention
will apply antomatically,
unless the parties contract out
of it in its entirety or in respect to its individual provisions. The convention respects the freedom of contracting, so that it will not modify the agree-ment reached by the parties; even so it will be of great potential significance as the parties and courts will be able have recourse to it in order to fill in gaps in the contract or to interpret its obscure clauses. It will therefore be indispensable for lawyers as well as traders to get acquainted with the convention, which may come into force in the UK before the end

The UK is almost certain to ratify not only the part dealing with the obligations and rights of the seller and the buyer, but

also the part establishing how contracts are validly conchilded. However, the conven-tion does not establish a uni-formity on the important question of form. While it reflects the view of the majority of signatory countries that contracts need not be concluded in writing, it enables countries whose legislation requires contracts of sale to be concluded or confirmed in writing to make a declaration preserving that position. A contract which would otherwise be governed by the law of such a state could thus only be concluded (or modified or terminated), by a party resident in that state, in writing.

It is also important to note that this provision concerning the requirement of written form, is the only one which the parties cannot exclude by

parties cannot exclude by mutual agreement.

The DTI consultative document provides an analysis of the convention and its comparison with English and Scottish laws, prepared by Barry Nicholas, Principal of Brasenose College Oxford, who also took an active part in the drafting of the convention. He points out the problems that may rise the problems that may rise from the fact that the convention does not deal with the validity of the contract; the effect which the contract may have on the property in the goods sold; or the liability of the seller for death or personal injury caused by the goods to

any person. This, and other points of his analysis (some of which are listed above) indicate that the convention must be treated as one of those half-baked cakes which you are supposed to put into the oven before eating it. Thus individual contracts based on it will need some more culinary attention to reach a standard acceptable for the specific needs of the trader. None the less, it has the great merit of bringing closer together the legal concepts of many different jurisdictions. Its adoption is likely to eliminate costly disputes about the applicable law and to facilitate and speed up the resolution of other contested issues.

The author is the D.J. Free-man & Co Senior Research Fel-low on International Trade Law at Queen Mary College, Univer-sity of London. A seminar to discuss the convention will be held at the College's Centre for Commercial Law Studies in

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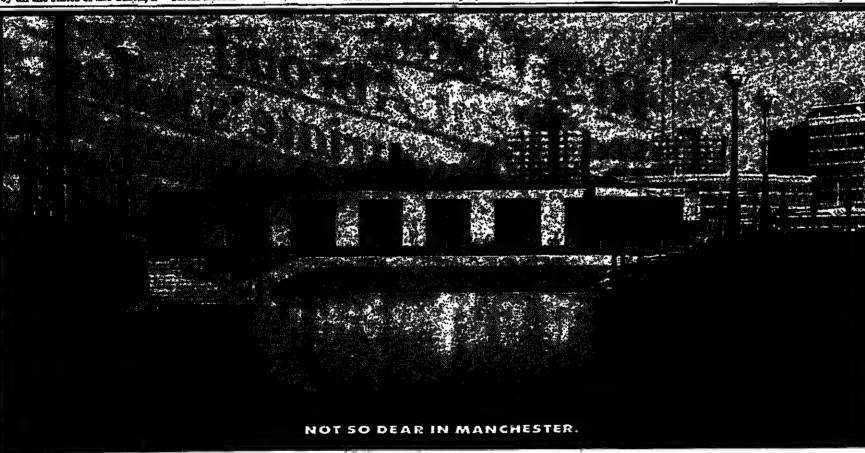
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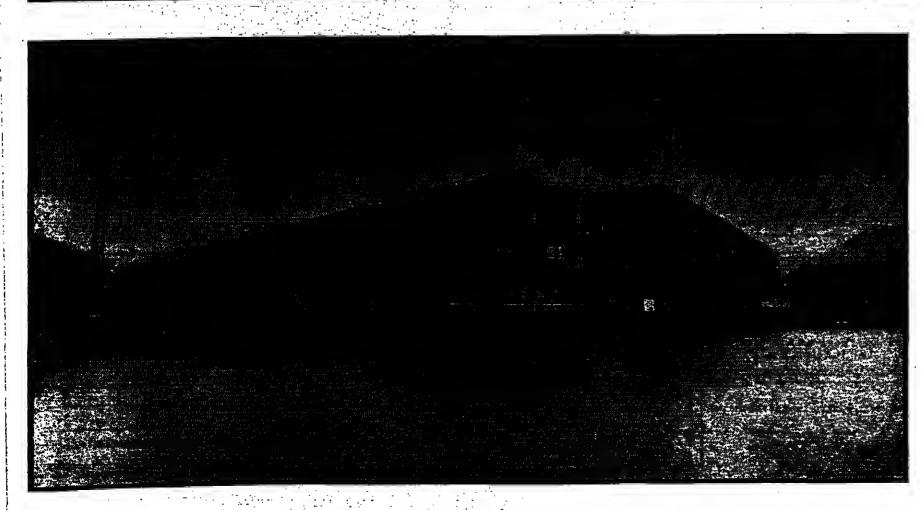


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Levi Strauss

Looking beyond the teenage market

The under-25s have been the jeans company's natural target in the US since the 1950s, but with numbers falling in this age group it has turned its attention to the more mature person. Alice Rawsthorn explains how

he scene is a peaceful pond with scarcely a ripple on the surface. A man in his late 30s and his son slt fishing and basking in the soft sunshine. Such a scene could scarcely be more distant from the blar-ing blues music and inner city back streets that US television viewers have come to associate with blue leans commercials But It is the centrepiece of the new marketing strategy of Levi Strauss, the bastion of the blue

jeans industry in the US. Ever since the 1950s, when the blue jean became the emblem of America's rebellious or would-be rebellious –
 adolescents, Levi has directed its advertising towards the 15 to 24 year olds, the chief consumers of denim jeans.

Since last autumn Levi has turned its attention to a new target market. It is still running its "501 Blues" campaign - the cinéma vérité commercials of kids hanging out in the inner city streets of New York and New Orleans - for teenagers. But it has introduced a new jeans campaign aimed spe-cifically at over-25 year olds. It has also invested in the promotion of Oockers, the men's casual trousers that form the focus of its new product development programme (see box). The reason for Levi's sudden interest in the over-25 age group lies in demographics.

THE NAME Levi-Strauss has been synonymous with blue jeans for more than a century. But like every other business that depends on a single product for the bulk of its sales, Levi has been search-

ing around for alternatives.

Lev's past attempts at diversification bave been, at best, lacklustre. Now it finally seems to have succeeded at finding a significant new product: Dockers.

Dockers are the soft cotton tronsers that Levi has launched in the US as the second part of its strategy to appeal to older consumers. Dockers have been designed for the 25 to 49 year-old men who want to wear something that is smarter than jeans, but not as smart as tailored trousers

The design of Dockers is derived from the cotton trousers that Levi made for GIs during the Second World War. They were first launched in Japan and were introduced to the US in 1986 after being spotted by a men's wear merchandiser in Hong Kong.

In the first year in Japan or the US? Levi sold 70,000 Dockers, worth \$1m wholesale. In 1987, when it adverted the brand in a small way, sales increased to 2.6m pairs, worth \$35m.

Last year Levi started to advertise Dockers in earnest. It invested \$6m on a television campaign. The commercials use the same cinéma vérité approach as "501 Blues" by featuring clips of Docker-clad men talking about women, work and sport. Foote Come & Belding, the agency responsible for the campaign, filmed the men for six hours and edited the footage into a series of 30 second commercials. into a series of 30 second commercials.
"So many US commercials just hit you over the head with an aggressive sales

message. That just turns people off," says Steve Goldstein, director of consumer marketing for men's wear at Levi in San

marketing for men's wear at Levi in San Francisco. "When people see our commercials they think 'I like those guys'. It is then an easy transition for them to like what they are wearing."

Levi sold 8m pairs of Dockers, worth \$120m, where? in 1988, the first year of fully fledged advertising. Its research suggests that the "right" people are buying Dockers. Three fifths of sales went to the target market of 25 to 49 year olds.

This year Levi intends to boost the

This year Levi intends to boost the advertising budget to \$10m and expects sales of 12m pairs, worth \$200m. At long last Levi seems to have found its "alterna-tive" product. Bot Dockers are still a long, long way behind blue jeans, which mustered sales of over \$1.5bn last year, in



Levi Strauss is still running its "501 Blues" campaign aimed at under-25s, but its latest US advertisement of father and son fishing seeks to embrace the more mature person

Hitherto it has been able to rely on the expansion of the teenage population to provide a "natural" source of sales growth. But the US teenage population has peaked and the number of 15- to 24-year-old males in the US will have fallen from 20.2m in 1985 to

17.4m by 1995. Levi Strauss, like many other consumer products groups, faces the daunting prospect of the slow, but

steady demographic decline of its most important market. Just as the 15-to-24 age group is shrinking, so the number of over-25 year olds is growing. The number of men over the

age of 25 in the US will have increased from 75.5m in 1985 to 80m by 1995. Whereas in Europe jeans

tend to be seen as a youth product, in the US they are worn by all age groups -"from the cradle to the grave." as Levi's marketing managers like to say. In theory Levi should be able to counter the decline of its younger market by boosting sales to the expanding over-25 age group. In practice things are not quite

so simple.
Although the over-25s still wear jeans, they tend to buy fewer pairs than when they were younger. Levi's research

suggests the average 15 to 24 year old buys about seven pairs of jeans a year — the over 25s buy no more than two or three.

These changes are all the more dannting to Levi given that its recent revival has been rooted in its presentation of its prodocts as the sharpest, most stylish blue jeans brand.

Levi Strauss has dominated the international jeans industry for decades. In the 1960s and 1970s it expanded furiously into other products and other countries. But it expanded too far and too fast. Some of the new products were unprofita-ble. Moreover the involvement

with so many different lines jeopardised the credibility of its original brand name. By the early 1980s it was in trouble.

The appointment of Robert

Haas as president in 1984 her-alded a revival in Levi's fortunes. Haas orcbestrated the \$1.6bn leveraged buy-ont whereby Levi returned to pri-vate ownership in 1985 and also introduced the "core prod-uct strategy". This new strat-egy involved dropping peripheral products to concentrate the company's resources on its authentic blue jeans.

The fly-button 501 was the focus of the strategy. In 1984 the 501 was already established as the best-selling jean in the US, but it tended to be bought for workwear by blue collar workers. In 1984 Levi began the "501 blues" campaign — created by Foote Cone & Belding in San Francisco — to relaunch

the 501 as the jeans for young people in the US. Sales soared. The number of 501s sold in the US has risen by 50 per cent since the campaign began five years ago. The success of the 501 - in the US and other countries - has belied Levi to repay over \$1bn of its buy-out debt.

But sales of 501s in the US have stabilised. Levi has iden-tified the demographic decline

& Gloucester Building Society,

with the slogan "Worth break-ing a habit for", decided to try winning Abbey National share-

holders over by offering a free

share dealing service for Abbey

of the teenage population as one of the chief contributors to the slowdown. It is searching for sales growth among older

Levi is using two jeans styles

the 505 and the 506 — as the
lynchpin of its assault on the
over-25 age group. The 505 is a
long established line. The 506 was introduced two years ago. Both are designed to accommodate the flabby flesh of the over-25s who can no longer squeeze into their 501s. Last autumn Levi unveiled

the "Moments" campaign to promote 505s and 506s. The campaign, devised by Foote Cone & Belding, features four executions of over-25 year old men - including the father fishing with his son - relaxing in their 505s and 506s. The same campaign was run again

this spring.
Levi will not disclose details of the impact of "Moments" on sales except to say that orders for both lines, and for 506s in particular, have risen

In the coming months it will become clear whether Levi's assault on the over-25s has sucassault on the vertex has suc-ceeded; and whether has soft focus shots of fathers fishing in their generously cut blue jeans will affect sales of 501s to the bluesy teenagers of the inner city back streets.

uilding societies in the UK are not normally known for being aggressive or for hitting their competitors below the belt. But the aftermath of the recent Abbey National flotation suggests that the situation is changing and that some of the societies are eager to tear off their kid

At least three building societies have pinched the Abbey National slogan for their own purposes in the hope of win-

ning new customers.

None of them had predicted that the Abbey National flotation would cause such anger among a substantial number of members as a result of various administrative hitches. One week after flotation, many members have still not

When the gloves are taken off

Sara Webb on building society advertising

received their ahare certificates, and indging from the number of calls received at the Financial Times from irate people - some of whom seem prepared to waste up to six hours a day on the telephone to Abbey National waiting for some response - there is an ever-increasing market waiting to be tapped in terms of dissatisfied customers who vow never to do business with

Abbey National again. "If you got less than you wanted kick the Abbey Habit" reads the advertisement from Bradford & Bingley Building Society. The society, which ranks eighth in terms of assets, estimates its rate card cost for the campaign will amount to between £180,000 and £200,000. It believed that the Abbey flotation would create a large market of people with money

BRADFORD

IF YOU GOT LESS THAN YOU WANTED KICK THE ABBEY HABIT.

to invest elsewhere. This was because they had either decided to cash in their share allocations, or because they had received quite a sizeable refund cheque after get-ting a reduced share allocation, or because they now prefer to place their money in a building society rather than in a bank which is what Abbey National

"The Abbey slogan lends

itself to this kind of slant," says Dave Wormail, marketing manager for retail funding at Bradford & Bingley.

The Halifax Building Society, the largest in the UK, mus-cled in with the slogan "How successful were you in the Abbey flotation" and turned Abbey National's thumbs up logo into a thumbs down in a bid to woo investors.

Meanwhile, the Cheltenham

National shares only to anyone who had more than \$5,000 in a C&G gold account. Since most other banks and building societies charge between £10-£15 for share deals of this size, the offer could bave meant a reasonable saving.
With the negative nuances

now being given to the Abbey habit by its competitors, the Abbey National may regret having colned the phrase though as a spokesman had the grace to admit: "If we'd been in the same situation we'd have done the same, I'm

Marketing abstracts

What role for the market researcher? P. Szwarc in Marketing Intelligence & Planning (UK), Vol 6 No 3 88 (5 pages).

Belleves that the role of market research in the burgeoning financial services industry should be one, not of information provider, but of business partner, responsible for finding out what products and services people will want tomorrow; sees such a process, however, as fraught with dangers, and offers guidelines for avoiding them by selecting a target market, creating a strategic con-cept, developing an operating

strategy and an effective ser

vice delivery system.

Information seeking, external search and 'shopping' behav-iour. S. Brown in Journal of

Marketing Management (UK), Summer 88 (17 pages).

Based upon an observation study of shoppers in Belfast's Park Centre, concludes that consumers induige in "opping around" activity, though fre-quently this activity is incidental to the main purpose of the trip. Findings run contrary to previous studies indicating that little "shopping around" is done prior to purchase and conform more closely to the received wisdom of retailing.

INFORMATION POWER FOR SYSTEMS - INFORMATION POWER FOR MIGROS - INFORMATION POWER FOR PEOPLE - INFORMATION FOWER FOR DATACENTEES

My people get a lot out of their computers. Shouldn't my business be getting more out of them?

INFORMATION POWER FOR PEOPLE - INFOSMATION POWES FOR DATACENTRES - INFOSMATION POWER FOR SYSTEMS - INFORMATION POWER POR MICEOS

Demember the excitement that attended the A videa of putting computers on desks?

They arrived. They stayed. The excitement faded...The computers remained deskbound.

They give a boost to individual performance, all right. But somehow, they never quite manage to feed that energy back into the corporate decision process.

Many organisations with otherwise enlightened IT policies have not yet made the transition from end-user computing to workstation management.

Not that it's difficult. It just requires a rare kind of management power. The power to combine business with technical expertise. To integrate applications. To plan networks. To train people. The power to support your workstation strategy with a service strategy to match...

The Information Power

Use this coupon now to get your copy of our new booklet on Workstation Management. You'll find Datasolve has the power you need to turn the personal computer into the cornerstone of your corporate information systems strategy.

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FINANCIAL TIMES THURSDAY JULY 20 1989 13



LEADING MEANS CONVINCING.

in engineering. Engineering with only one aim: making the passion for driving more cultivated than ever.

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The twelve cylinder engine of the BMW 750i/iL is considered the crown of engine design. It unites the following apparently antagonistic features:

Enormous power reserves and a very reasonable fuel consumption. Highly sophisticated engineering which is virtually maintenance-free. Superb smoothness of running and breathtaking driving performance. The immense safety potential of the BMW 750i/iL is another perfectly convincing argument.

It was achieved by using the most advanced engineering methods to

The world's most successful luxury sedan, the BMW 750i/iL, is one of | develop a body structure which, in the event of a collision, absorbs impact the most cogent examples of this. This car embodies the latest state of the art I energies at all safety-relevant points. Ample deformation zones at the

> front end and an extremely rigid passenger compartment provide highly efficient protection in a crash.

Environmental protection is just another field where the BMW 750i/iL proves its exemplary role. Its lambda-controlled three-way catalytic converter easily meets any emission

limit worldwide. And it is almost noiseless in all speed ranges - another contribution to environmental preservation. It is, in fact, one of the most silent automobiles in the world.

Conclusion: The BMW 750i/iL has everything 'needed for automobile leadership. Persuasive power in every engineering aspect.



TECHNOLOGY

he Inland Revenue has just completed the largest administrative computer network in Europe, with 38,000 terminals in 600 district tax offices.

The £400m system increases the UK Chancellor's scope for bringing in tax changes, starting with the independent taxation of husbands and wives next year. It also saves the Inland Revenue £50m a year in staff costs and eases shortages of clerical staff.

And the network — which is on line to 50 ICL mainframes in 12 regional centres — will help to track down tax evaders. The system has three parts. The first, called Cop (computerisation of PAYE), covers everyone whose tax is deducted by an employer.

The second, Coda (computerisation of schedule D assessment), covers not only the Schedule D earnings of the self-employed but the other main personal taxes, including capital gains and higher rate assessments on investment

The third is the National Tracing System (NTS), based on ICL's most powerful computer, a 3-node Series 39 Level 80 mainframe, at East Kilbride in Scotland. NTS is a highly secure database which holds the names and addresses, National Insurance numbers and tax office references of 44m UK taxpayers (Individuals, companies, trusts, etc.). This means that tax officers can locate within seconds the record of a taxpayer for whom they have a (possibly incomplete) name and address but no reference number.

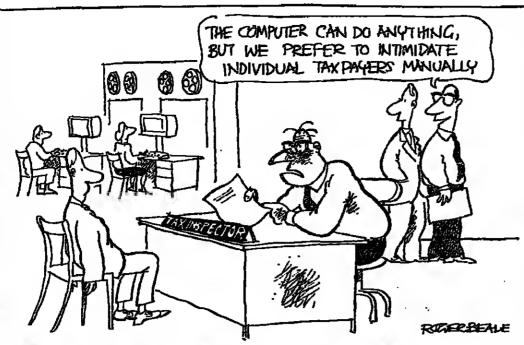
reference number.

Judged against the low expectations in December 1980 when the Government gave ICL the contract to computerise PAYE, the project has been a triumph. Yet there has been a curious lack of publicity—neither the Inland Revenue nor ICL has formally announced the completion of Cop, Coda and NTS,

"The prognosis in 1980 for large government administration computer systems was pretty poor. There had been some spectacular over-runs and failures, so naturally people were nervous," says Steve Matheson, the Revenue's information technology director.

mation technology director.

Some experts in the Treasury doubted ICL's technical ability to handle such a complex project and they objected to the way in which the contract was handed to the company, the UK's only indigenous mainframe manufacturer, for allegedly political reasons. At the same time some ICL execu-



Inland Revenue has a bloodless revolution

Clive Cookson explains why putting the records of 44m taxpayers on computer represents a coup

tives were afraid the project would fail – and further damage the company's then poor reputation – because civil servants would mismanage it. In the event, all three parts bave been completed within the time allowed for Cop, and the system is better than the

bave been completed within the time allowed for Cop, and the system is better than the one envisaged. The contract with ICL included "a technological refresher clause that enabled us to take advantage of emerging technology when it was available," says Matheson. "We envisaged that there would be substantial additional developments in applications and technology in the 1990s.

"What we have done is bring those forward into the time-scale of the original project." Apart from Coda and NTS, the enhancements include an X.25 data communications network linking the regional centres.

Since Cop started, three generations of ICL mainframe have been installed in the

erations of ICL mainframe have been installed in the regional centres; first 2966s, then 2988s and now Series 39 Level 80s. Another important technological development is ICL's CAFS, a combined hardware and software system for searching large databases.

John MacColl, who heads the

Revence's main computer centre in Telford, Shropshire, where all the development work is carried out. Applications software — amounting to about 1m lines of Cobol code per year — is rigorously tested and validated there before it is introduced; and staff at the regional centree are not allowed to make any changes.

"The history of large computer projects shows that if

project for ICL, emphasises the strong control exercised by the

local changes are made, you inevitably end up with a cock-up," MacColl says.

For similar reasons, Matheson rejects the suggestion that income tax could have been computerised more effectively and economically by installing a modern distributed network of small computers instead of dumb terminals linked to central mainframes. "We needed the power and the discipline of

allow us to implement all the processes we required."

Matheson says another critical factor is "the judicious mix of internal and external resources," Two consultancies, Computer Sciences Company and PA Computers and Tele-

mainframe development to

communications, have been involved from the start; more than 100 outside consultants work with the Revenue's 1,800 computing staff in Telford.

So far the system has proved so reliable that the 38,000 ter-

minals have been available for use more than 99 per cent of the time; in other words, a tax officer loses access to the system through faults in hardware, software and communications for an average of less than two hours per month.

Most tax officers like the system, says Howard Mann, policy and negotiations officer for the Inland Revenue Staff Federation. "The general feeling is one of relief at not having to do so much of the drudgery of taxes work. Having fewer files

certainly an improvement to the working environment."

Staff now make all changes to tax files directly on the computer terminal. And the computer automatically produces the forms on which information is sent back to taxpayers—notices of assessment, coding and so on. These are printed on high-speed laser printers at the regional processing centres and folded into

and fewer bundles of paper is

envelopes for posting.

The result, according to the Revenue, is that its staff communicate with taxpayers more quickly, more legitly and more accurately. Tax accountants tend to agree, according to Wreford Voge, past president of the Institute of Taxation and an Ernst & Whinney partner in Edinburgh.

Computerisation gives the Government the scope to carry out wholesale tax reform, which would have been administratively impossible when 30m taxpayer records had to be revised by hand. The first important example of this increased flexibility is the independent taxation of husbands and wives, starting from April 1990, which will create millions of new records.

Thinking of future applications is an exercise in political
imagination. One possibility is
that collecting the community
charge (poll tax) will turn out
to be such a nightmare for
local authorities that the Goverument will be forced to turn
the job over to the Inland Revenue. And if Labour wins the
next General Election and
decides to replace the charge
with a local income tax, the
Revenue's computers would be
ideally suited to assessing and

To combat tax evasion, the network will work with a new system being developed for the specialist compliance division. "As we extend our computer records, we have better facilities for seeing whether we have a taxpayer to match every bit of financial information, and that helps us to identify people who have escaped the net," Matheson says.

the net." Matheson says.

The largest tax computer project for the early 1990s is Brocs (business review of the collection service), which will replace obsolete processing methods at the Shipley and Cumbernauld accounts offices with an on-line ICL system linked to Cop/Coda. This will bridge the communications gap between assessment and collection. Later Brocs will be connected to a new corporation

tax assessment system.

Technically, it would be feasible for outsiders — professional accountants, tax advisers and even individuals with home computers — to have access to the Inland Revenue computer network. But Matheson says that the Revenue is reluctant to provide this. "We have many security controls, but our fundamental safeguard against hackers, computer viruses and so on is that we do not allow any dial-up access from outside."

Telex service
on the road
COMMUNICATIONS are a
particular problem for forry
drivers on international

journeys and saliors et sea.
But the situation could improve through a two-way service, now on trial, for international telex messages. The service, provided by the international satellite organisation immarsat, will be commercially available later this year.

For about \$5,000 (£3,000) users can buy a data terminal and a cone-shaped beacon which fits on top of the lorry or boat. Manufacturers of the terminals include Thrane & Thrane of Denmark, SNEC of France, EB Nera of Norway and JRC and Toshiba of

Japan.

The message is typed into the terminal, transmitted by the beacon to the nearest inmarsat satellite and sent on to the land-based receiving dish nearest to the recipient, from where it is fed into the local telephone network. Eventually the messages could arrive by electronic mail or facsimile as well as telex.

as well as telex.

Countries planning to provide the receiving dishes include the UK, France, Soviet Union, Australia, Brazil and Singapore.

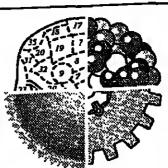
Vaccine against computer viruses BEWARE October 12. That is the message from experts in the computer virus

detection industry.

On that day Datacrime, a newly discovered computer virus — rogue code which multiples and can damage data — is set to destroy information on thousands of hard disks around the world. To try to prevent such disasters, computer software houses era beavering away

on programs which will recognise viruses before they wreak havoc. One such program is Vaccine version 4, which can identify viruses as they are introduced to the disks and check existing files. Vaccine spots the distinctive patterns of known viruses — each virus has a

distinctive patterns of known viruses — each virue has a unique pattern like a fingerprint. But the manufacturer of the detection package, Sophos of the UK, acknowledges that although the software can detect 26 known viruses, it will be fooled by the ones it does not know.



WORTH WATCHING

Edited by

Della Bradshaw

Nevertheless, it could mark the beginning of the end for such viruses as the one

carried into systems Tropi horse-style by the game Leisure Sult Larry.

From pans to

Chips
TEFLON, the coating material, can be used for more than just preventing bacon and eggs sticking to the frying pan. It could soon find its way into computer systems or communications cabling.

Teflon AF, a clear version of Du Pont's 51-year-old Teflon polymer, is being developed into optical fibre

cable, along which communications signals can be sent in light pulses. Du Pont and Mitsubishi Rayon of Japan are jointly working on heat-resistant Tefion AF fibre, which could be used in such hot and hara

environments es aircraft and factory machinery.

In the long term, the non-crystalline material could find an application in semiconductor manufacture. Because Teficn AF can be dissolved by a few selective solvents, it should be possible to sculpt it to allow precise semiconductor modelling.

The heat is on thermometers

BEING dipped into moiten steel, at temperatures of up to 1,600 deg C, is a destructive experience for conventional thermometers, which can only provide measurements for two or three seconds before failing.

But the spread of continuous casting — where the steel is kept at a high temperature for much longer — has created a need for a

7 . . 71

thermometer that can survive (Precise temperature measurements are essential to ensure the production of good quality steel.) Two Japanese companies

good quanty sees.;
Two Japanese companies
have developed a
thermometer which can
measure hot metal or molten
steel continuously for more
than 40 hours. The
thermometer, from Nippon
Steel, is made of zirconium
boride, an advanced coramic
with a melting point of 3,060
deg C. It is encased in a tube
from Asahl Glass.

Pos-itive choice for retailers

ONE OF the biggest problems for retail companies installing a point-of-sale (Poe) system is to ensure that equipment from different vendors will work together, to avoid being tocked into one

Smart Terminals has developed software tools which allow a mix-and-match approach to equipment from different companies — such as IBM, NCR, Nixdorf and ICL. The idea is that rows of Posterminals from any vendor should work together, sharing information and exchanging data on sales and stock control with the host

computer.

The Smart system reduces the amount of proprietary software in the terminals and imposes its own network and operating methods. It takes up 400 kbytes of memory (roughly 40 per cent) in each Pos terminal.

Sweet way to erect a tent

THE UK's strawberryand-cream season has seen many a company tussing with hospitality tents.

hospitality tents.
To make it easier end quicker to put them up, the French company Gillard has devised one which arrives folded on a lorry with a mechanical lift.

mechanical lift.
As the mechanism releas
the tent, the top fans out and
supporting galvanised steel
poles are lowered to the
ground. The lorry then drives
out from underneath, the
whole operation having been
completed in less than 20
minutes.

CONTACTS: Immareat: UK, 01 387 9038 Sophes: UK, 0844 282382, Dr. Pont: US, 302 774 1000, Népon Sheef; Japon, 05 242 4111. Smart Terminale: UK, 0895 896260, Gillard: Franct, 1 80 69 68 85.

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Why will this picture help to speed diagraes

to speed diagnosis... and these furnishings stay cleaner for longer?



Because 3M solves problems. By working closely with our customers and responding quickly to their needs. Body scanner images are an involuable aid to diagnosis. But there was a problem. Getting a permanent record af an image meant time-consuming monitor photography. So 3M worked with the medical profession to develop the Laser Imager. Used in conjunction with the most sophisticated body scanners, our Laser Imager gives doctors the benefit of real, high quality pictures, eliminating the need for monitor photography. We solved the problem by providing a better way to use body scanning equipment—aiding diagnosis, speeding treatment and helping hospitals to become more flexible and productive.



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Woody: overdosed on Bergman

ear Woody Allen, Thank you fer sending us your new film Another Woman, which opens in Britain next week. Also gratefully received, the joke noses and moustaches from your earlier, "funny" period as a film-maker: these you now wish to donate to the

Museum of the Moving Image.

Another Woman is your third
"serious" work, made in the vein of *Interiors* and *September*. This is good news for all those who feel they have done made quata penance for chortling helplessly at movies like Love And Death, Annie Hall, Manhattan and Zelig.
Certainly, there is not a gig-gle in sight in Another Woman.

The tale of an ageing philoso-phy professor (Gena Rowlands) who discovers that her life has been an emotional wasteland - she is prompted to this insight by her friendship with a psychiatric patient (Mia Farrow) and by the verbal scorchings received from sundry old flames and friends (Gene Hackman Sandy Dennis) — is mare man, Sandy Dennis) – is more like a celluloid suicide-note

You have clearly been riffling through the complete works of lingmar Bergman again, in this film there are shades of Personn (the mutaally tormenting friendship of two women) and of Wild Strowberries (the professor re-living his/her past). And who should be behind the camera but Bergman's one-time cinematographer Sven Nykvist, here crank-ing out glacial images as if for the tortured Swede himself.

The main plot trigger, I have to admit, is clever. Miss Rowlands, having rented a work-place in which to write her new book, hears the voice of an analyst's patient (Farrow) leaking through an air vent from the next flat. Miss P's voluble pain awakens Miss R's dormant pain. Soon our heroine is re-evaluating her marriage (to unfaithful Ian Holm), her childhood (her history professor father John Houseman is dying), her missed opportupiANOTHER WOMAN Woody Allen

WE THE LIVING Goffredo Alessandrini

AMSTERDAMNED Dick Mass

> MAC AND ME Stewart Raffill

EIGHT MEN OUT John Sayles

ties for passion (Gene Hack-man) and her whole inner life based on self-discipline and control, on the placing of intellect before instinct and emo-

tion.

I am impressed by your seriousness and largeness of purpose — though only 80 minutes long, the film seems longer but may one venture a quibble or two? There is something too tweezed and manicured about the whole enterprise Charac-ters cross each other's paths with a neatness born of artistic exigency rather than plausibility. (Every time the heroine enters a bar, she seems to stumble on an old acquaintance ready to mete out some excoriating reckoning.) And I mentioned at the time of Sep-tember that I thought your dialogue had a weakness for semaphored portentousness. Lines like "Sometimes even a historian shouldn't look at the past" (Houseman to Rowlands)

sound as if they have fallen off the back of a bad lbsen play. This film is a marginal improvement — yes — on your other non-comedies. Unlike their cabined artificiality, Another Woman walks real streets and breathes occasional draughts of real air. And it has a strong cast. Rowlands is good; and Sandy Dennis is terrific in a five-minute cameo of spitfiring, untidy anger.

My young son Felix keeps saying you should go back to making us laugh; a frivolous idea for which I biff him lightly around the head. But five minutes later I find myself ponder ing the same sentiments. And many of my readers have asked me to ask When is your next comedy? Do you have one plamed? Are you in it? And could you make it soon? They feel that while your serious movies could be made by almost anyone who has overamost anyone who has over-dosed on Bergman or Chekhov, your funny movies are yours alone and without peer or pre-tender. Greatest respects. Yours, N. Andrews.

A motiey week elsewhere. Only those caught by a rainstorm in Hampstead will want to sit through We The Living: a 3-hour, 50-year-old italian soap-buster based on Ayn Rand's 1934 novel of love in revolu-tionary Russiz. Alida Valli and Rossano Brazzi star; Goffredo Alessandrini directs, in black and white with high banality. I am all for rediscovery, but not even the film'e distinction of having been suppressed by Mussolini (anti-Communism was one thing in Fascist Italy, anti-totalitarianism another) can turn a turkey into a phos-

Amsterdamned and Mac And Me are the week's capers. The first is a Dutch murder thriller, with a mad frogman leaping out of canals to puncture passing pedestrians. Modest fun.
The second is an ET rip-off, with a would-be cuddly alien (actually hideous) befriended by a Coca-Cola-drinking American family. Given the amount of "product placement" here (even the alien is succoured by the famous fizzy liquid), one wonders why the film does not come down from the screen and pass around the cinema wearing a sandwich board.

Better - just - is John (Matewan) Sayles's Eight Men Out. This is the advence frigate of the baseball task force soon to reach us from Hollywood. By summer's end we will have been assailed by half a dozen such films on America's favourite sport. Here is a brief glossary of terms to help readers, with examples chosan

from Eight Men Out.

"Curve ball." A plot that seems to go in one direction then goes in another. As with this recreation of the 1919 Chicago White Sox scandal when eight players in America's top team were bribed to "throw" the World Series. The movie begins as overcrowded period fresco, then twitches into senti-mental human drama, then

mental human drama, then switches back to fresco.

"Left field." What eight famous Chicago players did, without stopping for a shower, when Chicago newspapers exposed the gambling and brib-ery scandal. Most famous vic-tim-culprit of all: baseball leg-end "Shoeless Joe" Jackson (D.B.Sweeney), who inspired the famous plea by a young boy outside the courtroom, "Say it ain't so, Joe." But it

was so.
"Strike-out;" a movie that tries to hit the ball but keeps missing. Example: Eight Men Out. Lots of young actors here with histrionic strike power – John Cusack, Charlle Sheen, D.B. (Gardens Of Stone) Swee-ney – but Sayles's ill-focussed script and direction defeat

"Diamond." Nama for the baseball playing area. Alternatively: a stray glittering gem discovered in poor baseball movie. Here, the appearance of veteran writer-broadcaster Studs Terkel as oue of two truth-slenthing journalists. (The other is played by Sayles himself). Terkel has a cherubic snart, a snowy charisma and a glint of mischief. The oldest member of the cast, he is the youngest, brightest thing in the film.

Finally, a brief follow-up bulletin after my recent report on the state of British filmgoing. Diligent in my readers' service, I visited my local cinema lately to catch a horror film I missed last mouth. The movie was



Gena Rowlands in "Another Woman"

Hellbound: Hellraiser II, but never mind that. (Indeed take pains to avoid it.) The even-ing's true horror lay in what

Though usually steeled for the worst that cinemas can assault me with in the way of supporting programmes -from "Look At Life" to "Cat-ford: Jewel of the South" - I could scarce believe my eyes and ears on this occasion. For fifteen minutes, no less, the adverts battered away: lager brands, whisky brands, cars, after-shaves, hamburger chains - nineteen consecutive commercials. (Twenty if you include Rank's own concluding logo, a plea for more advertis-

ing.)
Is it to be wondered at that the cinema was 80 per cent empty? That yawns and fidgets provided the symphonic over-ture to the main film? Or that when that finally began, the man behind me shouted "Yee-

hah! Here we go!", as if he were an escaped convict leaping into the sea after a spell on Devil's Island.

In an age when many other countries show movies with few commercials or none at all, in clean and comfortable multiplexes, Britain can still make filmgoing seem a pastime both unsavoury and unwelcoming. The last time I railed about this subject, I was touched by your heartfelt response. You too, it seems, have "done time" in your local Odeon or Cannon.
This time, please write not just
to me but to the chains concerned. Between us we can perhaps change the face of film-going in Britain. Failing that, we can fill in visa forms for Devil's Island, where I hear the standard of movie entertainment is fast ontstripping

Nigel Andrews

The Bastille Dances **SOUTH BANK**

There is a certain irony in re-enacting the fall of the Bastille in London's concrete cul-inral corner. When that symbol of repression gave up its secrets, you will remember, only half a dozen prisoners emerged. They all apparently compared favourably, in point of shelter, clothing and regular nourishment, with the card-board box-dwellers a few yards from this performance specta-cle outside the Netional Theacie outside the Netional Thea-tre; and more than favourably with the derelicts, beggars and alcoholics in the nearby Water-loo pedastrian underpass, where the stench of urine and beer (which for many inner city-dwellers sums up the past decade) assails the bewildered visitors on the way to some of the most accomplished and prestigious arts centres in the

world (which do not).

The bearded beggar buddled on the steps to Waterloo Bridge who hisses his mortified appeal for small change is in no dan-ger of being taken for part of the performance. Station House Opera is a group which eschews mere realism. They specialise in the relationship between humans and their space, particularly their build-ings. Last year their constructivist choreography came up with Pirunesi in New York, a multi-levelled jumble of stairways and towers at the Brooklyn Bridge Anchorage. The edifice currently built each day to be rearranged, dismantled and transmogrified every night, ini-tially recalls Escher rather than Piranesi. On a scaffolding framework an erection of breeze-blocks presents winding staircases, terraces, platforms, walls curved as well as straight, pillars, seats, even what seems to be a throne.

There is continual movement, not merely from the occasional musician (oboe, bassoon) with which the irregular

pyramid is studded or the pair of beseeching hands that implore attention through gaps in the blocks, but from the on the blocks, but from the workers who ceaselessly change tha construction's shape. Bees in a hive, they methodically take down a wall to build it elsewhere. A microcosm of endless, purposeless labour, one removes a block as soon it is placed in position by collegue Billers are cona colleague. Pillars are con-structed and taken down. The erection's changing shape variously presents an arena or a mini-Stonehenge, a petrified forest of breeze-block columns, a peak-top temple or an open archway throngb which the illuminated dome of St Paul's is glimpsed along the river.

The bumans meanwhile wheu uot working, freeze into poses in mid-labour. Some of these touch familiar chords. recalling the lconography of politics or religion: the figures sprawled upside down as if falling evoke Icarus or the Deposi-tion or a heroically Romantic it grows dark (the two-hour performance starts at nine) the lighting tints the blocks with pastel colours.

Brought to the South Bank under the auspices of LIFT and presented in association with the National Theatre, The Bostille Dances nightly until Saturday with its possible messages: where one barrier is demolished another is erected, ideals construct hierarchies as much as tyrannies. Julian Maynard Smith's production at least avoids the trap which attends so many offerings in the Londou international Festival of trotting out of fringe theatre clichés just discovered by less sophisticated or untilrecently repressed cultures. Still, give it

Martin Hoyle

Twelfth

John Godber's direction of Hull Truck gives us an acid-house Twelfth Night, with rock songs (by Ronald Stone) and a good deal of dance movement, ancient and modern. All the cast take part in these, whether involved in the cur-rent action or not. Clearly, the production is less aimed at Viola's androgynous wooing of Orsino than at a house after a good laugh. The degree of success may be assessed by the free laughter of the mainly young audience at lines delivered with a minimum of sub-

tlety.
Only seldom were the words mistreated ("But did she see you, old boy?") but they are spoken without any idea of what they mean. "For saying so, there's gold," says Viola to the Captain, but doesn't give him any. As for Malvoho'e closely-described fancy dress, it has been transmuted by designer Robert Cheesmond into 20th century teen age costume, a decorated green sweat-shirt over baggy shorts, calf-high yellow socks above

The costumes are, in fact, all 20th century, lounge suits for the men, pretty frocks for the girls. When Orsine comes in from cricket — any decent



Meriel Scholffeld, Andrew Dunn and Andrina Carroll

squire must turn out for his club, Illyria CC — he has braces and a dark, striped tie over his shirt and brown shoes below his whites. Malvolio is below his whites. Malvolio is better dressed than his betters until he concedes to the instructions. Maria has suggested to him in the letter that she, Sir Toby, Aguecheek and Fabian unuggie to him in the longest piece of determined comedy of the season.

William likley, as Malvolio, gives one of the only two bits of real characterisation of the evening. He is not Malvolio, of

evening. He is not Malvolio, of course, that would be asking too much in the circumstances; but he is an ambitious NCO

anxious to impress and gratify his superiors, and he speaks his lines, even when mad, as if he meant them. Paul Rider's Feste is a real person, too, a sort of third-rate Sinatra. He sings the music as such music should be sung; but he is not the Feste of whom Shake-speare wrote: "your fooling grows old" and "a fool that Lady Olivia's father took much

delight in?
Sir Toby, Aguecheek, Fabian and even Orsino are variants of grown-up lager-louis; their potion comes more in 330 ml cans than champagne bottles. Martin Ronan'e Aguecheek

tern, but not far enough to make him very comic. Maria is alcely done by Deborah Winkles and Andrina Carroll, wearing a costume that sug gests an Oxford lady graduate, is a properly upper-middle-class Olivia to fit in with this

Meriel Scholfield's Viola is genuinely boyish as Cesario; she sven practices a boy's stride to show off her jeans. Tim Whitehouse's Sebastian is ntterly unlike her, but this hardly matters in a production that we are meant to laugh at but not to believe in.

B.A. Young

Die Zauberflöte

COVENT GARDEN This is the Zauberflöte with the boys in lederhosen and a horde of little Papagenos and Papagenas. To come to the opera again barely a week after see-ing a wonderfully simple and ningholm is to chance one's luck, but on balance I would say that the fussiness of the Royal Opera's Flute is outweighed at the final curtain by its sense of humour and magi-

cal visual appeal.
If the impression lingers of a production that has worked every choreographic movement to painstaking excess, then at this revival something of the same feeling had also perme-ated the musical performance under Colin Davis. Davis knows this opera inside out, but his insight into the score increasingly arrives courtesy of an excess of loving rubato. One longed for the music to speak more directly.

Which might ultimately be

the verdict on the evening as a whole: mncb to enjoy, to observe, to make one think anew, but never the kind of artless exposition that can make *Die Zauberflöte* an object of childlike wonder. Typical of its flavour was the Papageno of François le Roux, new to London - a portrayal far from being a naive child of nature, and yet played with a resource-fulness and fullness of voice that makes one long all the more to see him in other roles.

In the Pamina of Karita Mattila and the Tamino of Keith Lewis there was a potentially satisfying central pair. Mattila has sung her role here to acclaim before, but this performance was like a snapshot of the original that had gone slightly out of focus, at least until the Act II finale, where all unexpectedly came right. Lewis's Tamino was technically accomplished, but more quiet singing is needed. He does not radiate sympathy, like his Pamina.

Among the rest of the cast, the outstanding member was Mariella Devia, singing with a striking clarity of tone as she approached the Queen of the Night's dazzling top Fs. She would have had every uote exactly in its place, if only she had not momentarily lost her way. Robert Lloyd repeated his familiar Sarastro, welcome for its unforced dignity, and Paul Crook his thoroughly nasty

The surtitles make no spoingies for the racist and sexist comments that litter the text of Die Zauberflöte alongside its passages of genuine humanity. It was interesting that the audience response wavered between embarrassed silence and stifled laughter, now that it can understand more of what is being sung.

Richard Fairman

Honor Ford Smith

Fallen Angel and the Devil Concubine

ALMEIDA THEATRE

Explorations of race, class and sexual oppression fuse in the Groundwork Theatre Company's contribution to the London international Festival of
Theatre, beginning at the bottom with a marvellously preg-Theatre, beginning at the bot-tom with a marvellously preg-nant scenario of two slderly Jamaican derelicts, one white and one black, each of whom ider they have first claim to a disintegrating colonial

Lettie, black, wears her mis-tress's bequest slung in scrolls around her waist, while Katie - daughter of an earlier and richer incumbant - shuffles around like Miss Haversham in tattered lace, fantasising exotic defences of her right to occupancy. While the two ancient crones squabble within, their house is bombarded from without by unspecified neighbours,

presumably young and male.
The show developed out of improvisation by its two performers, Carol Lawes, coordinator of the company and a leading light in Jamaica's theatre-in-education movement, and Honor Ford Smith, artistic director of the Sistren Collective, which was a notable hit of an earlier LIFT.

With the help of director Hertenser Lindsay and script writer Pat Cumper they have shaped it into three scenes, each brought to a close by the intrusive thumps of the outside world. The contrivance of the structure sums up the beset-ting fault of a production which starts strongly, with

some exquisitely funny charac-terisation, but which then meanders off into endless little to steal her food and force her into her "proper" place. Only in the final half hour of

a two hour show does it begin to reveal the real story behind the prejudice and pretence: Katie was abandoned for bringing shame on her family by running off with a black half wit; Lettie was raped by a white man while in service, handed her baby over to her mother for safe keeping and returned home to find the child had been given away.

Both women have been maddened by their experiences, but not too much to form a frail comradeship in the recognition of a shared injustice. The result is a song of solidarity heartening despite its flaws, which draws the two actresses into a dialogue of patois versus standard English which adds a musical dimension to a critical

While some of Lettie's narrative is lost on the unattuned ear Katie slips fascinatingly in and out of patois - now colonial pretender, now the local down-and-out, reminding one of just how complex a knot class and race have become in the wake of empire.

Claire Armitstead

ARTS GUIDE

EXHIBITIONS

The National Gallery. The Artist's Eye — this year the abstract painter, Bridget Riley's turn to take her pick of the col-lections. She chooses a mass ections. She chooses a mere seven works, but all of them masterpieces — great figure compositions by Titian, Prossin, Veronese, Rubens, El Greco and Cezame. Daily until August 31. The Whitechapel Gallery, Euan Uplow — a retrospective of the materials of the mule by 8 ognow — a remospective of map paintings of the mude by a painter who is at once the most severely objective and the most seductive of our painters of the figure. Until September 3; closed

Mondays.
The Hayward Gellery. Art in
Latin America — a rich and
fascinating survey of the painting and sculpture that has comeout of Central and South America since the early 19th century. ica since the early 19th century, which is roughly the period of the achievement of independence from the Spanish and Portuguese colonial suprices. It presents an extraordinary cultural cocktail — political, anthropological and social besides purely aesthetic, with the volatile Latin sensibility set against the older Indian cultures, nds August 6. The Boyal Academy — the usual gigantic and enjoyable free-for-all of painting, sculpture, print and architecture with nearly 1,200 works on show. Deily until August 20.

Paris

Bibliothèque Nationale. 1789 Le Patrimoine libéré. Rather

than inheritance liberated, words like confiscation and plunder would describe more accurately the manner in which the 200 treasures reached the Bibliothè-que Nationale during the revolu-tion, R. de Richellen, Ends Sept

10.

The Lauva. The glass pyramid, built by I.M. Pei, the Sino-American architect, has opened to the public as a dramatic entrance to one of the world's most famous purseums. Open Sau-Som, Mon and Wed until 9.45pm, closed Tue, The Louvie. Les douateurs du Louvie. Aprily, the newly refunbished museum inaugurates the 1.200 square metres of space cro-

hished museum inaugurates the 1,200 square metres of space cro-

hished minerum pranguranes training of a square metres of space created underground for temporary exhibitions by expressing gratitude for the generosity of donors invogatout the supersector of the supersect in Villette, 211 Ave Jean James, Metro Purto de Pantin (4267722). Both exhibitions closed Tue and

Beden-Beden ends Amgust 14.
Galacie Odermatt Cusent: Mas-ters of the 19th and 20th century.
A large Bonnard – La Place de Clichy — catches the bustle of

a Parisian street, 85 his, Rue du Fog. Saint-Honoré (4268258). Closed Sun. Ends July 29.

Fundation Gimmaids. A Houry Moore retrospective of some 50 sculptures, 30 drawings shown in retation and 50 engravings is as impressive by the judicious selection of entities, as by the exceptional location for 13 of park with Alpine peaks as a backdrop. Ends Nov 19 (026-223978).

Frankfurt -

Frankfurt
'Je Suis le Cahler', the sketchbooks of Picasso. This exhibition
of 40 six-chibooks and around
200 paintings, organised by the
New York based Pace Gallery
and sponsored by the American.
Express commany, will have its
second stop here in Frankfurt
on the European tour.
Schirn, Kunsthalle, Am Römerherg Sa. A Wassily Kadinsky
retrospective (1868-1944). Wassily
Kadinsky, infiliator and founder
of the famous Bine Horse style
siso created a new form of
abstract painting. Ends Aug 20.

Kunsthalle am August Macke. Platz, Rochstadenring 22 Cen-tres, Residences and Metropolis in German History. Ends August

Kunsifialle, Lichtenthaler Allee 8a. A retrospective of Jean Coc-teau (1889-1968) to commemorate in Baden-Baden presents the most extensive show of his work ever with around 500 exhibits.

The Kremtin Gold. The exhibi-tion, jointly organised by the Bremen Uebersee Museum and the Moscow Kremtin Museum, will coincide with Mr Gorbe-chev's first visit to Germany this week. Bremen Uebersee Museum Bahnhouplatz 13. Ends August 13.

Stuttgert

Stantagalerie, Konrad-Adenauer-Str. 30-32, Salvador Dali: (1904-1989). Stuttgart presents the biggest Salvador Dali retrospective since his death earlier this year, to honour him on his 85th birthday. Ends July 28.

Kunsisforum. Time is running out to see the Leopold collection.

it contains, among others, hith-erto unseen works by Egon Schiele and Gustav Klimt who revolutionised Viennese art at the turn of the century. Ends

Callaria Nazionale d'Arte Mod-erna. The Sonnaband Collection conzains e little of everything, from pop-art with some of the best-known works of Warhol, Lichtenstein; Jim Dine, followed by examples of American mini-mal art, until Oct 2.

Museo Napoleonico. Eightsenth-century Roman Theatre and Car givals. Life was anything but comfortable for impresarios under the oppressive papers of Pius VI, with ruin continually stating them in the face through forced closure by unpredictable papel censors. Ends Sept 30.

Bussian and Soviet Art:
1870-1930. Benso Piano, architect
of the Beaubourg, has given the
250 works chosen from Soviet
museums by Glovanni Carandeute an immensely effective
setting turning the ground-floor deute an immensely effective setting, turning the ground-floor workshops of the disused Flat factory into the equivalent of an Arab tent. Ends October 20.

Spoleto · · ·

Rocco Albornoziana and Church Rocco Albernoziana and Church of S. Ricelo, 17th captury paint-ing in Umbriz. The exhibition is the fruit of nearly 20 years research work by Professor Brun-otoscano and a group of helpers, who have been through Umbrian churches and convents with a trothersh and the desired. toothcomb, and the gloriously restored results can be examine close-to in two settings (of which the latter is by far the most satis-factory). Ends Sept 23.

Museo Correr. French impres-sionists from the Mellon collec-tion at the National Gellery of Art in Washington: more than 40 works, among which are delights such as Courbet's sea-sence. Sompt's La grande Lutte access. Sompt's La grande Lutte scapes, Seurat's La grande Jatte, and Renotr's Madame Monet and Son. Ends Sept 4.

July 14-20

Museum of Modern Art. A retro spective of the work of Helen Frankenthaler covering 40 years in 40 paintings explores the development of abstract expres-sionism since the war. Ends Aug

Washington National Gallery. More than 400

reactions designy. More than on images are part of a massive ret respective of the 150 years of photography, here represented by Alfred Stiegittz, Walker Evans, Laszlo Moholy-Negy among dozens of others. Ends Aug 18.

Chicago

Art Institute, Master drawings from the Tayler Museum, the oldest in Holland, include nearly 100 works of two centuries by Michelangelo, Raphael and Rem-Tokyo

Identist Museum. Hoan Kosugi An exhibition to mark the 25th

An exmination to mark the 25th amiliversary of the death of one of Japan's leading contemporary painters. Koengi's early work was influenced by Impressionism, but in later years he created a more Japanese style in sumie and watercolour. His favouritie enfluent were birder; were higher were higher were higher. subjects were birds and people. Riccar Maseum. Ukiyo-e by Uta-gawa Kunisada (1786-1864). Small but pleasurable exhibition ed to one of the few mid 19th century masters of the woodblock print.

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Thursday July 20 1989

Lord Mackay holds firm

FEARS THAT Lord Mackay, the Lord Chancellor, would retreat in the face of protests from senior judges and barris-ters appear largely unfounded. Criticism of January's green paper has done little more than persuade him to amend his lan-guage. The white paper does not refer to the "absurd" practices of barristers; nor does it make an overt case for a free market in legal services. Lord Mackay remains committed to his goals of wider consumer choice and greater competi-tion. But he has sensibly opted to modify the means with which he pursues those ends.

In the green paper, the Gov-ernment argued that rights of andienca before particular courts should depend only upon the education, training and codes of conduct of advocates. The decision on whether a professional body would be which to issue advocate contifiable to issue advocacy certifi-cates would rest with the Lord Chancellor, subject to advice from an advisory committee. This proposal would have ended barristers monopoly of access to the higher courts. But it was criticised on the grounds that decisions about who could do what would effec-tively be taken by an unaccountable advisory body supported by civil servants. Under the guise of introducing com-petition, it was argued, Lord Mackay would have transferred power from the judiciary and professions to the executive arm of Government. The independence of lawyers would have been undermined.

Independent scrutiny

The Lord Chancellor's esponse to this criticism is not to sacrifice the principle that people other than barristers should have rights of audience in the higher courts, but to find a way of permitting this without threatening the independence of lawyers. The solution proposed is to accept that only professional bodies can decide who is qualified to appear in court but to subject their standards and monitoring procedures to independent scrutiny. In the first instance the Bar and the Law Society will be the only bodies capable of recognising advocates, but Lord Mackay leaves open the possibility that other bodies might eventually be permitted

would become effective only it agreed to by the Lord Chance ior and four senior judges. Everybody concerned – the Everybody concerned — the profession, the judges and the Lord Chancellor — would be obliged to "have regard" to the advice of the advisory committee, which would have a majority of lay members, be financed by Parliament and employ its own staff. The parties would own staff. The parties would also have to pay regard to stat-utory objectives which would state that restrictions on the way clients may obtain legal services can be justified only if they are necessary in tha interests of justice.

ing solicitors as advocates

Subject to challenge

Lord Mackay is thus saying that rules which subject barris-ters to greater competition can become effective only with the agreement of aenior jndges. But the judges would have to find good arguments for rejecting the recommendations of the independent advisory committee and other professional bodies. The judges' decision would itself be subject to challenge in the courts. The Lord Chancellor is thus throwing down the gauntlet: if judges can find arguments for restricting competition that stand up, competition will be restricted.

The strategy is thus to give the legal profession considerable powers of self-regulation, but to create an environment which will push it towards greater competition. Barristers will be free to decide whether to allow their membera to take instructions directly from lay clients. But any rules forbid-ding direct access, unless agreed by the Lord Chancellor to be necessary in the interests of justice, would be subject to challenge from the competition authorities. Similar considerations apply in the case of mul-ti-disciplinary partnerships, which will no longer be banned

by statute. Some advocates of market forces will find Lord Mackay's white paper disappointingly subdued. But the administra tion of justice is not an activity which can be equated directly with the manufacture, say, of baked beans. Competition has a role to play, but it can never be the only consideration. The white paper, by emphasising the role of self regulation and Draft rules proposed by the as that of market forces, has Law Society, say, for recognis- struck the right balance.

Electoral change in Mexico

THE DECISION by President Carlos Salinas de Gortari to concede defeat in this month's election for the governorship of Baja California state on the US border is, strictly speaking, historic. This is the first time in the 72-year reign of Mexico's Institutional Revolutionary Party regime that the opposi-tion has been allowed a share, albeit provincial, of executive power. The presidential decision to lose – an indispensable accompaniment to the popular will in view of the PRI's history of ballot-rigging — is the latest in a crescendo of coura-geous measures Mr Salinas has

taken in his first year in office.
The young reformist took
office as a weak president, his
public credibility diminished by the questionable way he was shoe horned into power by the state and party apparatus, which a year ago faced its most vigorous electoral challenge ever. His close rival on that denas, the left-wing nationalist dissident, triggered a mass movement for democratic Both men believe, though in

different ways, that such reform is unstoppable. At stake is who leads it, and the extent to which it can be controlled and made compatible with a return to sustained economic development after the ravages of the foreign debt crisis and past policy mistakes. In order to "win" his presidency, there-fore, Mr Salinas had to use its formidable powers to beheve almost like a leader of the

Risk and benefit

He has removed the gang-ster-like leaders of Mexico's two most powerful PRI-allied unions, the oil workers and teachers; jailed the country's leading stockbroker for fraud (and other businessmen for tax evasion); arrested one of the region's biggest drugs traffickers and, separately, an accomplice - the former chief of Mexico's political police. Mr Salinas's predecessors had shrunk from such show-downs as too likely to destabilise during a period of violent eco-nomic dislocation.

What these coups de main

have had in common, apart from astute calculation of risk and benefit, is their packaging. This is carefully arranged to excoriate individuals while ignoring, or even maintaining, the corporatist structures which gave them life. Simi-larly, despite a tougher attitude to business malpractice, the "concession capitalism" which has bound together the PRI and private sector may be getting a new lease on life, aided by otherwise successful structural economic reforms which have been introduced without either debate or accountability. Privatisation has unfortunately tended to strengthen already powerful monopolites, which have bought these assets on highly favourable terms. Far from being held in check by the Government's policy of open trade frontiers, these compa-nies are also the only ones able to withstand the flood of cheaper imports and in many cases profit from it, through control of distribution.

Sceptical light

Tha Baja California result should, at the moment, be viewed in a similarly sceptical light. It is not clear whether it heralds real pluralism or more tokenism. The PRI surrendered this ldiosyncratic state to the right-wing National Action Party, which unlike Mr Cardenas presents no national threat. The simultaneous con-test which Mr Cárdenas'a party test which Mr Cardenas'a party is thought to have won in his home state of Michoacan — the real test of the Government's intentions — was marred by the sort of chicanery Mexicans find increasingly intolerable.

Mr Salinas's position is not easy: the PRI old guard, badly chaken by last year's prosiden.

shaken by last year's presiden-tial election debacle, sees even Baja California as the thin end of the wedge. Others, close to him, believe that if they can get the economy right - a prospect they think will be transformed by an adequate deal on debt - the opposition will collapse. It is more likely that moves towards genuinely representative government are the precondition for renewed, and above all more equitable,

of looking at a single month's figures encouraged only a few weeks ago a mindless hysteria towards sterling by some mar-

he short-term disease ket commentators. The same mindlessness may now be inducing an equally unjustified

Just as it was absurd to regard the 3 per cent rise in the UK retail sales volume index in May as a sign that consumer spending was out of control, it is equally abstard to treat the 1.8 per cent fall in June as a sign that spending is now on a downward trend.

Just like the trade figures, retail sales are highly volatile; and comparisons should be made at least between quarmade at least between quar-ters. Retail sales to the second quarter of 1989 were nearly 1 per cent above the previous quarter's level, and 3% per cent higher than a year ago. There is neither a spending spree nor overkill in these estimates; just a gradual slow-down from the 6 to 7 per cent rates of increase in 1987-88. Similarly, when the Retail

Similarly, when the Retail Prices Index was creeping remorselessly upwards, the hysteria-mongers were wondering how much above 10 percent it would reach. They refused to see how the index was temporarily distorted npwards by tha inclusion of mortgage interest payments.

Now, simply because the RPI in June increased by "only" 8.3 percent—the same as in May—some market commentators - some market commentators have done a U-turn. But noth-ing unexpected has happened. The rate of increase of the index may rise (or more probably fall) by the odd decimal point in July; but it is bound to drop in August for the mechanistic reason that comparisons will then be made with a paried when mortgage interest. period when mortgage interest rates had already risen.

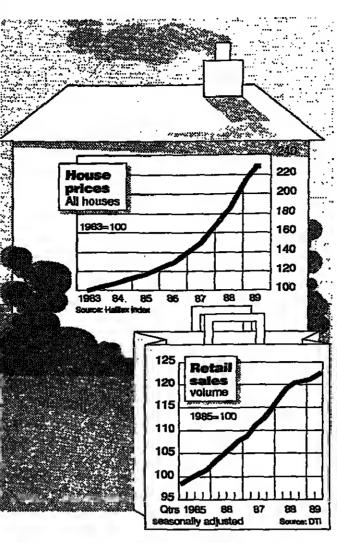
The underlying rate of infla-tion – measured by the RPI exclusive of interest rates – is exclusive of interest rates — is around 6 per cent; and it is difficult to see that moving decisively downwards at all soon. The fall to 5.9 per cent shown by this underlying rate in June is likely to have been a random fluctuation.

The picture of a gradual slowdown in the growth of home demand is confirmed by the housing market. Prices here fluctuate far more than prices of current output or con-sumer goods. The boom was heralded by a period of house prices rising by 20 per cent or 30 per cent per annum. If there were to be a hard landing or severe squeeze on consumer spending, house prices would now be seen to be tumbling.

This could happen yet. But the Halifax index of bouse prices has levelled off only this June. Halifax expects an average house price rise of under 5 per cent during 1989 as a whole, and one of around zero in 1990. The reported figures nnderstate the shake-out because of the number of unsold properties. But there is slump of the kind we saw in

the middle 1970s. Tha labour market, unlike The labour market, unlike housing, is always a lagging indicator. The latest figures show that unemployment is still falling, although at a slower rate than earlier in the year. The overall picture is one of final demand growing more slowly than before, but still definitely growing in both real and nominal terms. The more

ECONOMIC VIEWPOINT



The state of the UK

By Samuel Brittan

sensible opponents of the Chancellor's exchange rate pol-icy are no longer talking of overkill, and indeed admit that interest rates will have to remain high for quite a time. But mutterings can still be heard from other critics of the

Chancellor about a squeeze on the money supply supposedly arising from the use of the reserves to support sterling in June. (I wish that some of these mutterers would look at what is actually happening instead of being guided by a priori beliefs about the supposed effects of foreign exchange intervention.)

Just as there are long lags between a demand slowdown and labour market changes, there are equally long lags between any easing of labour market pressures and a slow-down in earnings. The combination of labour shortages and the impact of high mortgage rates will be influencing settlements until well into next year. Employers are less likely to respond by large-scale redundancies than they did in the recession of the early 1980s. Not only is the pressure on

profit margins more gentle; but the much publicised demographic reduction in the number of young workers is making them hold on to personnel. Thus the productivity offset to rising wages will be less in evi-

The safest forecast is that underlying inflation will rise a good bit above 6 per cent before turning downwards, and by the next election in 1991 or 1992 be hovering around 5 per

cent or a whisker under.

It is now getting too late for the short sharp shock, which might have been preferable to the present painfully gradual-ist path. The other possible route to lowering inflationary expectations - early full mem-bership of the European Monetary System - has also been shelved, although for how long

is far from clear.

My personal bunch is that developments may be a little better on the inflation front than the above rather safe projection. The dock strike is likely to muddy the trade figures for a few months to come. But at some stage the conven-tional view of an inevitable

early sterling depreciation could begin to be questioned, as has already occurred with the dollar. Sterling will then start to look very attractive at interest rates seven percentage points higher than those in Germany; and international financial sentiment will move in favour of the British currency. (There have even been signs of this happening in the past week, despite the collapse of British Rail in the face of strike pressure.)

The appropriate response will be to let sterling rise until it is somewhere near the top end of the DM 3 to DM 3.30 range in which it has fluctuated since it was uncapped in March 1988. This will not dalight businessmen. Nor should it; for it will apply the serious pressure on profit mar-gins and labour costs which has been the missing element in the present squeeze. The next stage should be to inter-vene in the foreign exchange markets to recover some of the reserves lost defending sterling in the first half of this year. Then and only then should the Chancellor consider reducing base rates to prevent a sterling

overshoot.

It will not have escaped readers that by then the main preconditions set by the Government for entering into the EMS will have begun to be met. If France has also taken serious steps to dismantle the remaining exchange controls, it will be time for the Chancellor to be time for the Chancellor to disappoint some of his more appeasing advisers and raise the EMS issue in Cabinet. For there will then be a once-only chance to lock Britain into the EMS at a relatively high exchange rate, which really will hring downward pressure

will hring downward pressure on inflation.

There is a further reason why the UK economy will need an exchange rate safety catch. The medium-term trend is for domestic demand to rise faster than expected by the Treasury and other mainstream forecasting models. (The Chancellor's opponents are already looking forward to another year of over-optimistic forecasts for him to explain away.) Credit him to explain away.) Credit Suisse, for instance, estimates that non-durable consumption may have to rise by another 8 per cent before it reaches an equilibrium relationship to income and wealth in present deregulated markets.

But, although the medium-term risks lie in the direction of excess rather than deficient demand, short-term shocks are likely en route. I would expect at some time within the next year or year and a half, 14 per cent base rates to start biting strongly. We will then see a shift from the present gradual slowdown of demand to one or two quarters of recessionary alarm, in which shouts of "overkill" will resound through the land.

Some built-in mechanism to prevent policy relaxation from going so far as to undermine all the hard-won counter-inflaand none of the suggested monetary aggregates would do
the job. So far from being a
painless cure all, the EMS is
the one available mechanism
to prevent the British Government administering an excessive amount of artificial stimulos in the run-up to an election
– an excess for which the
country would have to pay dearly as it has always done in the past.

BOOK REVIEW

grim vision of Israel

t is January 1, 2001, and Israel is in more than its usual state of uproar. The Arab majority of northern Israel is staging another day of violent demonstrations in its six-month-old uprising against the Israeli Government. Armed Jewish activists are roaming Galilee mounting random attacks on Palestinians. Field Marshal Ariel Sharon, the hard-linar just elected Prime Minister at 72, is facing a ris-ing tide of calls for Palestinian political parties to be banned and for Arabs to be transferred out of Israel

This vision of a future break-down of law, order and democ-racy in the Jewish state may not be as far-fetched as it seama. Although David McDowall is too sober a writer to spell it out directly, such a chain of events — or some-thing quite like it — is heavily signposted in his new book on the conflict between Arabs and Jaws in Palestine. It makes timely, prescient and above all ing reading.

McDowall, a British former relief worker who has written widely-praised volumes about the Palestinians and the Kurds for the Minority Rights Group, takes as point of departure in this part-historical, part-polemical work the 19-month revolt against Israeli occupation of the West Bank and Gaza Strip. With a logic that is relent-less as it is disturbing, he describes how the intifada an event he extravagantly describes as "the most important political development in the history of the Palestinian people so far" - has overturned conventional wisdom about Arab-Israeli peace-mak-ing. And he elaborates, in terms which both Israeli rightwingers and Palestinian leftists would understand, on the nature of the dilemmas facing

the state of Israel as a result. This is among the first of an expected stream of books on the nprising. It was begun before Palestinians started confronting Israeli troops in the streets and refugee camps of the occupied territories, and relies less on direct reportage than on thoughtful reading and statistical interpretation. But I suspect it will command more lasting attention than many more narrowly-focused works, by virtue of the power of its message and the clarity of its analysis.

The message, bluntly, is that if neat solutions to this conflict d they certainly do not exist any longer, and that if there ever was a Middle East "peace process" (McDow-all doubts that this is what we should call the American damage limitation exercises of the last 20 years) it is likely to be all the more difficult to recon-

The old prescription - UN Security Council resolution 242 providing for an exchange of

PALESTINE AND ISRAEL: The Uprising and Beyond

By David McDowall LB. Touris, London; £14.95

territory for peace - was doomed to irrelevance, he says, by successive Israeli governments' refusal to contemplate a more or less full withdrawal to the pre-1967 border. It has become even less relevant today as a result of entrenched Jewish settlement in the occupied territories and growing radicalisation of Israel's own sizeable Palestinian minority.

Nor, given the known posi-tions of both main Israeli par-ties on the central issues in an eventual negotiation, does McDowall put much faith in the emergence of a truly viable two-state solution. Achieving such a settlement would require genuine Israeli recognition of the Palestinians' security and economic needs, as well as vice versa. Even assuming a Palestinian entity were to emerge, the social and eco-nomic problems - resettling nomic problems - resetting refugees, caring for a rapidly increasing population with lim-ited land and water resources - could easily overwhelm it.

McDowall frankly admits that he has no idea whether there is a solution or what it might be. But "Palestine and Israel" is less a counsel of despair than a cry of alarm aimed at the idea that the conflict can be settled through

Perhaps the most troubling long-range issue it raises, for example, is one which even people on the Israeli left would sooner not think about for it raises the most sensitive questions about the nature of the Jewish state; the status of Israel's growing number of Arab citizens. Within Israel proper, the Palestinian population is already 17 per cent of the total. On present trends, it could be close to a quarter of the total by 2005, and northern Israel could be two thirds Pal-estinian by 2010. This trend rms against the grain of everything Israel's founding fathers were trying to achieve, namely a Jewish democracy with a guaranteed Jewish majority.

As their numbers grow, the Arabs of Israel are less and less likely to tolerate being treated as second class citizens with the right to vote but little influence on mainstream politics, and comparatively limited access to economic and budget ary resources. McDowall's conclusion is that without moves to partition Palestine and to improve the lot of its own Palestinian minority, Israel could eventually be facing interconmunal strife on both sides of the "green line," with ugly con-sequences for its own society.

Andrew Gowers

Green and pleasant

Not only new towns; also new forests, which may prove more popular. The Countryside Commission, the British Gov-ernment's advisory body on countryside matters, is press-ing ahead with its plans to create a New Midlands Forest, as the project is tentatively

There are five potential sites, each of them covering about 150 square miles. None of them can be far from Robin Hood's old haunts in Sherwood. Apart from reducing the shortlist to one, the next task is to find a financial adviser, for whom the Countryside Commission is now advertising.

The sums of money involved are large. Pam Gilder, who looks after forests in the Com-

mission's conservation branch says that the project will prob-ably cost about £150m, which works out conveniently at £1m

per square mile. Not all the area will be covered with trees: perhaps only about half, Gilder says. There will also be scope for leisure and recreation. So there could be a return on capital, either from investing to the forestry or in the surrounding activi-

or in the surrounning activities.
Still, £150m is a lot to find
and the Commission is looking
for new ways of raising a mixture of private and public
funds. Do not suggest anything
obvious, as I did, like buy a
tree. "That's been done
before," said Gilder rather dismissively. "We're looking for
something innovative from
someone who really believes
in the project." in the project."

Wrong number

■ Reliance on computerised mailing lists can lead to embarrassments, as almost everyone must know by now. But here is a bigger bloomer than usual.
Roger Gill, Director of Stratesic Planning at the Plessey
Company, received a letter at

OBSERVER

his office address from the Small Business Marketing Manager at British Telecom. "Dear Mr Gill," it read in

part, "we've put together a free business catalogue that lets you see at a glance what products and services we now have on offer for people running a business. It covers everything from modern phone systems that can divert your calls to another number to mobile phones", and so on. "Every small business is differ-ent," it concludes. Most of the products

involved are actually made by Plessey. Gill wonders if the message is coded and whether Lord Weinstock has anything to do with it.

Bradyspeak

The term "structural rigidi-ties" has been given new meaning by Nicholas Brady. Testifying yesterday morning before the Joint Economic Committee of Congress on last weekend's Paris summit, the weekend's Paris summit, the US Treasury Secretary noted how a number of meetings had developed a stylised character. There was also the particular problem this year, he said, that it was "a little difficult to separate what was the celebration of France'a Bastille Day from what was the summit." This was a structural rigidity.

Sell by...

■ The London Gas Museum

at Bromley by Bow has a new exhibit - a bar of chocolate that has been preserved since before the first world war and may be the oldest in existence. It is a relic of the centenary of the Gas Light & Coke Company in 1912 when all visitors to the company's exhibition at Crystal Palace were presented with a bar of Cadbury's Mexican special. One Horace Panting, an employee of the



"He's sulking because he hasn't been linked to the BAT bid"

company, never got round to eating his because of something to do with a tiff with his wife. But it was kept in the family and has oow been presented to the Museum by his son, also called Horace. According to Panting,

around the turn of the century, it was common practice for builders and engineers to leave on-site notes in a tin about who they were and what they were thinking. Many of them must still be preserved for pos-

Latin plot ■ Nestor Rapanelli, Argen-

tina's Economy Minister since last weekend, is oow wanted in Venezuela on charges involving over-invoicing of grain imported to Venezuela by a locally-based subsidiary of the multi-national, Bunge and Born. As we noted on Monday, Rapanelli was vice president with Bunge and Born, which started life trading grain, until his political eleva-

There appears to be nothing in the charges, but they revea a lot about Argentine politics. The story came out in the Venezuelan dally, El Diario, which was founded by the Argentines, Rodolfo Terragno and Tomas Eloy Martinez. Besides writing novels, Mar-tinez is a member of the Fundacion Plural, an Argentine research institute which worked for the recently departed Radical government; Terragno was Minister of Pub-lic Works in the same govern-

Bank facts Facts from the Bank of

England's new economic brief-ing sheets for 8-12-year-olds. If all the £5, £10, £20 and £50 that the Lo, Liu, Loy and Lou Bank of England notes in use today were laid end to end, they would go around the world over four times. The total number of banknotes and coins in circulation in Great Britain adds up to about £16,000,000,000. This is £300 for every person in Great
Britain. People today who are
buying a house need to borrow, on average, £39,000. Today
7,000,000 people have mortgages to help them pay for
their houses. Altogether, these
people owe the building societies £150,000,000,000. Some 29,000,000 people put their savings in building society

One of the Bank's test questions is: Think of a reason for borrowing £50. Now write a letter to the bank manager explaining why you want the money and trying to persuade him/her to lend it to you.

Cheap ride

■ Failing to find a taxi during the latest transport strike in London, a colleague noticed that be was standing next to the British School of Motoring. So he went in, asked for a driving lesson and was driven to the office for £12 - cbeaper than any taxi.

SST... I KNOW WHERE YOU CAN GET 5 STAR FOR THE PRICE OF 3 STAR. ??

Right in the middle of the first act he started whispering. He'd take me to Athens or Amman, Paris or Vienna or any other Marriott hotel I chose. Apparently this was a once-in-a-lifetime offer. A 5 star luxury room for a 3 star price.

Ever since we got married he's promised me a holiday like this, but something's always cropped up.

Now we're going. The moment I said "Paris" he muttered something about 439 0281 and walked straight out of Hamlet



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Haig Simonian reports on the renewed debate about the influence of West Germany's big banks

pearl: a 28 per cent share in Daimler-Benz, Germany's biggest industrial group, worth around DMS.5bn (£2.75bn) today.

For a mixture of political and eco-

nomic reasons, the stakes have been drawing increasingly angry glances recently, reviving debate about the nower of the banks.

power of the banks.

The subject is not new. German banks' commanding role in the economy, built up over decades of close credit relationships with hig companies, and complemented by equity stakes and hundreds of supervisory board posts, has long been a subject of criticism. In 1979, the Kessler Committee, which was convened to look mittee, which was convened to look into banks' powers, concluded — after five year's study — that such accusations were unjustified.

Some bankers claim relations with business are now less intimate than in the past. The "Hausbank" relation-ship, which manacled a corporation to one bank, has loosened as companies have become more liquid, diversified their borrowing and turned more to

securitised instruments.

In the current debate, however, the banks' domestic critics are joined by an influential voice from abroad. The European Community's new The European Community's new Second Banking Directive, now broadly approved, will require all EC banks with holdings in outside companies to adopt two important new criteria in assessing their stakes.

No single participation in a company of the company of the company of the community of the company of the company of the community of the commun pany can exceed 15 per cent of a bank's shareholders' funds.

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> not be worth more than 60 per cent of its shareholders' fimds. On the face of it, Deutsche Bank, owner of the most glittering portfolio, stands to be most affected. Last month, it told analysts that the market value of its stakes in quoted companies in which it had a 20 per cent share or more amounted to DM9.2bn

A bank's total equity stakes must

at end-1988 — equivalent to about 40 per cent of its current share price. Yet worried foreign investors need not fear a torrent of bank-held stock flooding the market. For, despite their seemingly draconian scope, the new EC regulations will have no impact. The reason is that the banks' shares are all held at book value - often at prices which are now decades out of date. Some of the department store holdings, for example, date from the "Arianisation" of formerly Jewish-owned retail chains by the Nazis in the 1930s. The result has often been to put a chunk of what would now appear to be ludicrously cheap equity

Step into a West German department store, peer at a high building site or climb into as are you will coming into contact with one of Germany's big three banks. Deutsche Bank, Drescher Bank and Commerzbank all own huge equity stakes in some of the country's best-known companies, particularly in retailing and building. And, as befits Germany's most powerful financial institution, Deutsche Bank holds the pearl: a 28 per cent share in Dampler.

on their books.

While the new EC Directive may not be causing German bankers any sleepless nights, the growing domestic debate about their "power" has started to rankle. Dozens of politicians are paking aim at the big bankle. Frw are more critical than the big banks. Frw are more critical than the liberal Free Democrats (FDP), whose chairman, Count Otto Landsdorf, is a long-standing critic of the big banks power. According to the FDP, equity participations should be limited to 15 per cent. The Socialist SPD wants a 5 retreate celling.

The SPD has also called for limits on the number of supervisory board posts leading bankers may hold. It wants individual members of a bank's managing board to be limited to five

W.Germ	ne Industrial Stake	8 .
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	Klőckner	
	Humboldt-Deutz	40 .
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	Fiat	25
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	Hortan	18.75
DRESCHE	REAMS	
(Directly)	Brau and Brunnen	27.2
	Heldelberger Zement	25.1
(Indirectly)	Biffinger + Berger	25
	Netnigeeellecheft .	23.1
COMMONS	MANK	
(Directly) -	Kerstadt	25
	Heidelberger	
(months)	Druckmaschinen	25 .
	Machine	26

ated companies. That would hit Deutsche Bank particularly hard; its 12 management board members share just under 100 supervisory board jobs

The concern is shared by the Federal Cartel Office, which wants repre-sentatives from a bank to be barred from sitting on the supervisory boards of companies which compete with one another. For example, executives on Commerzbank's managing board sit on the supervisory boards at three of the country's four biggest

epartment store chains. Criticism of the banks can be partly traced to one recent deal in particu-lar, the planned takeover by Daimler-Benz of Messerschmitt-Bölkow-Blohm (MBB). Some critics of the growing concentration in German business are



has appeared almost unsquirous on the German corporate scens. It res-cued Ribekner & Co, the Duisburg-based trading group, last October, it arranged the sale of Deutsche Teraco, one of the country's leading oil com-panies, to RWR, a Ruhr utility, and it has put itself forward as a self-appointed candidate to restructure

A glance at its boardroom representation underlines its apparent omni-presence. Two senior Deutsche Bankpresents. I wo senter believe the same-ers chaired the supervisory boards of Deutsche Texaco and RWE at the time of the sale — leading cynical competitors to comment that it was no surprise that the bank's new mergers and acquisitions unit got the mandate. More recently, the bank has masterminded the sale of Klöckner & Co to VIAG, picking up a large chunk of shares in Klöckner-Humboldt-Deutz, a huge but loss-making engineering group, in the process.

Mr Herrhausen's impressive elo-

quence and erudition, his reputation as an informal adviser to Chancellor Helmut Kohl and, above all, his willingness to take on - and forcefully express — what be genuinely feels are his "responsibilities" as a leading banker, have meant that the issue of the power of the banks has increas-ingly tended to become personified as a debate about Deutsche Bank in general and Mr Herrhausen in particular.

Away from the spotlight, many leading bankers regret that the issues have become so loaded. None claim any special attachment to their equity stakes, and all argue that the role of their shares as a lever on other companies or as a way around Chinese Walls - the two regular criticisms are hugely over-estimated.

The influence that is represented by the stakes is greatly over-engger-ated, says Mr Walter Scipp, chief executive of Commerciank. "When things are going well for a company, the banks' stakes are of no interest. And when things are going badly, high corporate tax rates, which can



such stakes are particularly welcome
- just look at AEG," he says. For Mr Scipp, the issue of the power of German banks is like the Loch Ness Monster; widely rumoured, occasionally claimed to be spotted, but impossible to pin down when sci-

entifically researched.

According to Mr Wolfgang Röller According to Mr Wolfgang Roller, chief executive of Dresdner Bank and the current president of the German Bankers' Federation, only 114 of the 1,446 supervisory board seats on Germany's 100 biggest companies are occupied by private sector bankers. And there are only 86 cases of indus-trial stakes where the banks hold more than 10 per cent of the shares, says Mr Herrhausen. Some bankers brush off the latest

some bankers brush ou the latest attacks on the banks as party political posturing by an electorally threatened FDP. And they say the Christian Democrats, the FDP's bigger coalition partner, would long ago have slapped the issue down had not they themselves been electorally weakened this

The banks emphasise that many of their industrial stakes are either historical relics - as in the case of the department stores - or the legacy of earlier rescue packages, where debt has been converted into equity. "You must understand that most, if not all, the participations came not because they were wanted, but because we were obliged to take them," explains one Deutsche Bank director. "If we disclosed it, you would already see that we have sold off a lot of our holdings." Many argue that it is Germany's

exceed 60 per cent in aggregate, which are the obstacle to a further sell off. "People shouldn't be surprised if we're reluctant to see that money go to the tax authorities," says Mr Seipp. "It's hardly doing our duty to our shareholders to sell the stakes just to pay over 60 per cent tax rates on the proceeds," explains a counterpart.

"The stakes are not a holy cow for us," adds Mr Seipp. In property, where German tax rules allow banks to reallocate certain capital gains free of tax within a specific period, they have shown no marked desire to hang on to prized assets.

But for unswerving critics of the banks, the argument about tax rates is just an attempt shift responsibility to the government, "Bankers know that, for all its posturing, the Free Democrats will not change the tax rules, so the holdings will stay," says one Frankfurt analyst. "And they hope the Socialists will never return to power.

But matters could grow out of hand if the opposition to the banks develope into a distinct, and politically-exploitable, popular mood. The FDP is already talking about a tax break to encourage the banks to sell their stakes, while the ruling coalition may set up a special committee to look into the entire subject. If the tide of opinion really does

turn against them, the banks' options would become much more limited. How then to regain the initiative?. "Lose a lot of money," says one friendly observer. "Then we'd just be criticised even more strongly as being not only powerful, but studd too," says one resigned banker.

LOMBARD

The best way to help Poland

By Peter Montagnon

THE REFUSAL of Western leaders at last week's summit to grant Poland much in the way of financial assistance was not as niggardly as it seemed. What Poland needs, if it is to climb out of its economic morass, is not more debt but less – and a promise from Western leaders that they will open their markets to imports of Polish goods.

By any objective yardstick Poland is an appelling credit risk. Its political future is uncertain; its economy is in tatters with widespread supply problems and rampant infla-tion; and its foreign debt of

tion; and his foreign dast of \$39hm is nearly five times last year's hard currency export receipts of \$8.3hm.

Eight years after its debt cri-sis broke per capite foreign debt has risen to a little more than had of its per capite gross. than half of its per capita gross national product of about \$2,000.

With ratios like these, it is scarcely conceivable that Poland could ever repay its existing debt, let alone service additional loans. It would be even worse off if, as some have snggested, money were bor-rowed to fill its shope with consumer goods. That would be about as sensible as mortgag-ing your house for a pint of beer to give you energy to get to work in the morning. More debt even for "sensible" invest-ments would simply add to the country's interest burden, deterring investment and hob-bling economic development well into the future.

Poland has long been unable to meet the interest payments due on its existing debt. In recent years it has been meet-ing only about half its obligations, or roughly \$2bn a year, most of which until this year went to commercial bank creditors, whose claims make up 35

per cent of its total debts. In the privacy of their board-rooms, bank lenders have acknowledged this reality by providing heavily against even-tual loss. It is but a short step from here to writing off the debt altogether. If government creditors were to do likewise, Poland could be spared the grinding necessity of hoarding foreign exchange to meet inter-

est payments, which it can

never reasonably expect to

Critics would argue that this entails an admission of default which would exclude Poland from western financial flows for the indefinite future. This need not be the case, however, and the savings on debt service would be far greater than Poland could ever expect to obtain in the form of new

The need for self-reliance would force the authorities to pursue with even greater determination the economic adjust-ment which goes hand in hand with continuing political reform. Debt cancellation would also improve the climate for private sector foreign

The uncertainty created by the overhang of foreign debt would disappear, while foreign exchange previously devoted to debt service could be freed up for the import of badly needed. raw materials and for the mittance of earnings by for-

eign investors. With its relatively well-edu-cated workforce and extraordinarily low wage rates Poland is theoretically an attractive manufacturing base for West-ern firms. That it has failed so far to capitalise on this is in large part due to its own economic policies, which it now says it wants to change. The West can only hope that these changes are prosecuted with vigour, but it can actually help with debt cancellation and trade concessions.

President Bush has already taken one step along this roa with his proposal in April to grant Polish exports duty free status under the US general-ised system of preferences, but more could be done on trade especially by the European Community which maintains an intricate network of quota restraints against Polish goods.

These should be scrapped even when they affect sensitive areas like footwear and tex-

tiles. Biting the debt bullet might be politically painful for the West because it would force governments to confront the mistakes they themselves made as lenders. Yet it would be made as lenders. Yet it would be made as lenders. be much more use to Poland than a few hundred million dollars in new loans grudgingly given to appease the

Accountants' ethics

From the President. The Institute of Chartered Accountants in England and Wales.

Sir, Your report "Accountants unhappy with ruling on corporate work" (July 14) gave a misleading impression of an tants unhappy with ruling on corporate work" (July 14) gave a misleading impression of an

In April the council of this institute approved a statement of ethical guidance for mem-bers and member-firms involved in corporate finance advice and take-overs. The Take Over Panel was consulted was finally approved.

The statement did not, as

your article suggests, "rule" that an accountancy firm "should not act for both sides in a public company merger or acquisition." Instead, it advised that a firm, acting as auditors or advisers for two or more parties involved in a more parties involved in a take-over subject to the City. Code, may continue to act for more than one party in the capacity of auditors or reporting accountants on any profit forecast and in the provision of incidental advice.

However, it went on, the firm should not act as a lead adviser for any party involved, nor issue a critique of a client's accounts, and the firm should implement proper safeguards. Examples of the sort of safeguard required are given in the

It is possible that your report about the status of this guid-ance could give rise to misun-

derstanding.
In the field of professional ethics, the institute's experience is that guidance is a more effective form of regulation than detailed rules: members are expected to comply with the spirit as well as the subFrom Mr Mortyn Arbib.

quite clearly: members of this institute, along with members of certain other accountancy bodies, are entrusted by stat-ute with the audit of company

ute with the audit of company accounts. We have always regarded it as part of our function to offer guidance to members on the conduct of the audit and in other insportant fields of practice, and disciplinary proceedings are brought wherever members are believed to have fallen below the high standards set for them.

tered accomiants have forged ahead in the field of corporate finance styles, not always arising out of their role as suditor. When the Companies Bill now before Parliamant becomes law, we expect to take en addi-tional responsibilities over

The council of the Institute is determined to see that its members have access to sound guidance in relation to the sudit and to all the important fields of work in which their firms are engaged. Any representations your correspondent may have rectived to the contrary reflect neither the views of this institute nor, I believe, those of the senior partners of the Big Eight. the Big Right.
Philip E. Counc.
PO Box 433.

Options market listings

equity options. Your reporter quotes me as saying "that once an option trades more than 18,000 contracts a day, there are no perceived advantages in listing it on more than one exchange." I stated that Securities and Exchange Commission (SEC) economic studies indi-cate that investors benefit from multiple listing only in low volume classes - under 1,800 contracts per day.

From Mr Duke Chapman.

Sir, A misquotation (June 6)
caused a factual error regarding tha multiple listing of equity options. Your reporter quotes me as saying "that once the property options of the property options of the property options of the property options. The SEC studies were conducted in low volume classes and indicate no cost benefits to investors in multiple listed, high-volume options. While the quotes me as saying "that once the property of the Exchange is prepared for a multiple listing environment, we contend that the multiple listing of options will cause market fragmentation and investor confusion. Duke Chapman, The Options Exchange, LaSalle at Van Buren,

. After another big bid a few years ago, I wrote suggesting that any predator company should be restricted from bidding for a company for two years after its last share purchase. A possible addition to that should be that a potential predator can purchase shares in the potential target com-pany providing that it

is contemplating making a bid.
Thus investors selling their shares just prior to the bid would not be burt by the predator buying shares on what might be termed inside informight be termed inside infor-mation; and all purchasers of the shares would be dealing on roughly the same information. It might make some of the bidding companies think twice about making a bid, as they would not be halled out of their expensive professional fees by the profit they make on shares purchased from unfortunate

In on the deals From Mr J.A. Rosason. Sir, You correctly report (July 13) that this firm acts for BAT industries, has done for many years, and is acting for BAT in relation to its defence content. Hardaha You members in relation to the against Hoylake. You are wrong, however, to imply that we are not one of "the five major merger and acquisition law firms in the UK." audit function.

The council of the institute

Inside the rules

Sir, it appears that there is one rule for fund managers and private investors which could fand them in gaol, and another for directors who build up a stake in a company in the knowledge that they are going to make a takeover bid. Both can make purchases at the same time; one moves to gad; the other is a financial engi-neering hero. It is reported that Hoylake has built up a recent stake in BAT.

UK sovereignty lives

From Mr A.C. Guter.
Sir, Justinian (July 3) concludes, for no good reason, that
"sovereignty as a legal or constitutional concept is dead." The article is apparently designed to counter Mrs Thatcher's statement that economic and political union of the EC under the Delors plan means "an unacceptable transfer of sovereignty." Plainly, this concept (which

is far from deed) means the power of the UK to order its own affairs, whether through the Government, the Crown, or any other mechanism designed for that purpose. A particular example can be found in international law, where sover-eighty means the right of any state either to co-operate with other nations in implementing freeties and conventions or to withhold its consent to them. In the particular example of the EC, the UK, in agreeing to membership, has agreed to accept the obligations of the

reported in its May 1989 issue, we were ranked fourth in the "league table of legal advisers to companies involved in public offers over £100m during 1968," acting in 11 deals worth £5,584m; and fifth in the 1968 tik "all deels" table, with 28 deels worth 11.554m.

J.A. Rowson,

Herbert Smith, Walling House, As Acquisitions Monthly & Cannon Street, ECA

purchased from unfortunate investors prior to the bid.

The additional benefit would be that investigations into insider dealing would be reduced, as far as take-over deals are concerned.

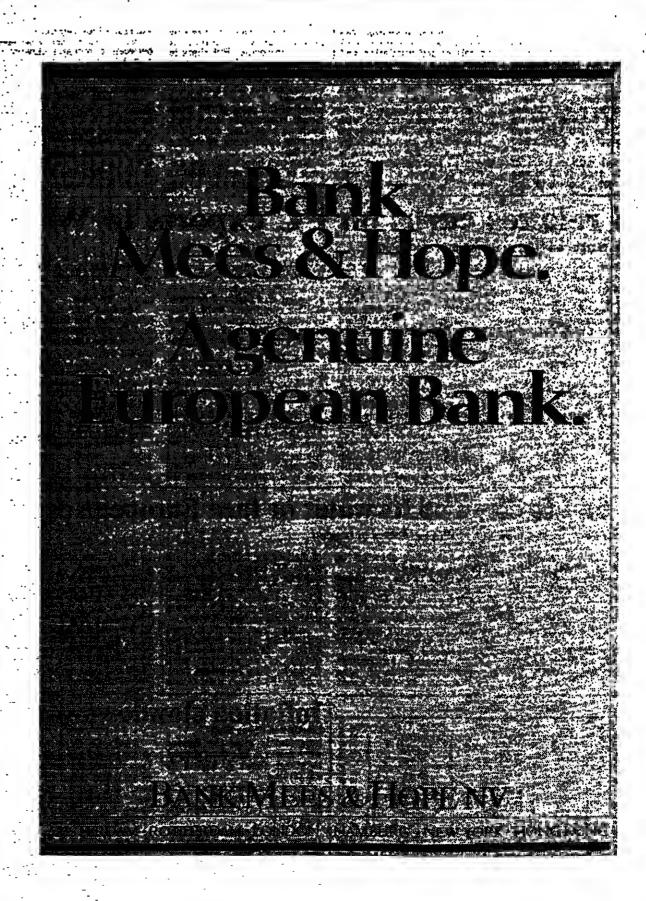
Martyn Arbib, New Farm, Badgemore

Treaty of Rome and to take into its system of law and pro-cedure measures agreed by the Buropean Commission in con-cert with its partners in the Community. Constitutional lawyers would argue (cor-rectly) that the accession to membership of the Community with its accommunity obliga-

with its accompanying obliga-tions and privileges is by no Parliamentary sovereignty, as Parliament is at liberty at any time to repeal the European 1978, thus withdrawing from EC membership. Norway has already withdrawn from membership on exactly this basis. UK sovereignty, whether of the Crown or Parliament, thus plainly remains. It is also a living force; and a vital feature of the relationship of one country

with another or a group of oth-

B.C. Gater, 42 Tangier Lane.



FINANCIAL TIMES

Thursday July 20 1989



Fermenta story ends in jail for Refaat El-Sayed

FOR Mr Refaat El-Sayed the wheel of fortune has turned full circle, writes Sara Webb in Stockholm.

The Egyptian-horn immigrant who built up Fermenta

- the Swedish antibiotics and animal health groop — into one of the glamour stocks of the Stockholm bourse, was sen-tenced yesterday to five years in prison on 14 counts of swindling investors, perjury, fraud and insider trading. The conviction seems

unlikely to mark the end of the Fermenta scandal which has run for more than two years.
Those who have followed the extraordinary career of the irrepressible Mr El-Sayed who even while under investigation flew around the world in search of someone who



could belp him buy back his company – may also wonder if

prison will mean the end of the El-Sayed saga. He protests his innocence and hopes to appeal. Mr El-Sayed, 44, moved to Sweden in 1964. His career with Fermenta began in 1981 when he bought a loss a phonsubsidiary from Astra, a phar-maceuticals group, for SKr39m

He raised money for expansion through a public offering in 1984, and subsequently turned Fermenta into a leading producer of bulk antibiotics with plants in the US, Italy, and France. Fermenta's share price shot up 1,200 per cent from the time of its stock markst launch to its peak 18 months later.

Small investors adored him, partly because of the success of the share, but also for his com-

mon touch. He played football and lived nnpretentiously despite being one of the richest men in Sweden. He turned up to husiness meetings without a tie and never flaunted his wealth with flashy cars or

weath with hasny cars or palatial property.

Despite his immigrant background, Mr El-Sayed became a hot property in Sweden's cluhhy business circles. But the same names who feted him at the peak of his fortune were quick to disown him when the soing hecama sticky. Some going hecama sticky. Some claimed that his throaty delivery of the Swedish language (his quotes were usually subti-tled on Swedish TV so that viewers could follow) had pre-vented anyone from understanding what he was up to.

maceuticals and biotechnology group. But a leak from a disgruntled envionrmentalist revealed that Refaat had faked his academic credentials Volvo backed out of the deal,

Refaat was removed from the chief executive post and the share price plummeted. Than at the end of 1986 external auditors found irregu-larities in the figures. Mr El Sayed was declared bankrupt as the shares he owned in Fer-menta plummeted and he was

menta plummeted and he was unable to pay off his debts.

Prison in Sweden is a comfortable place and before long he may even be sent to a prison holiday camp to learn cross-country skiling or on a Caribban switch prison and control of the country skiling or on a caribban switch country. Caribbean cruise courtesy of

that the patent should be theirs because the scientist was working for them when he

The issue has been a test-case for science reform in

China and the case is still

going through the courts. New patent laws and laws allowing

scientists to develop their own

products had been designed to inject incentives into all

hranches of the demoralised

ranches of the demoralised scientific sector.

But Wan is taking a characteristically Chinese long-term view about the fate of Stone, and China. "It does not matter about Stone," he kept saying. "This Government cannot lost." In the meantime he will

last." In the meantime he will live in the US, where Stone has

in Paris he looked grey and drawn, lost in his new role as exile abroad. While his per-

sonal future and prosperity is assured, one senses that his country is more important to

him. He must now decide

whether to help lead the democracy movement in exile or develop Stone abroad.

"I need advice from my friends about what I should do now," he said. "If I go into poli-tics, it will harm my company

more. But the students are

young. They need direction. Many people say the students and intellectuals have some

excellent thinking, but not the

While be decides, he plans to set up a new Stone headquar-ters in France, the US or Aus-

tralia. We have not heard the last from Wan Runan or Stone.

Katherine Forestier is a jour

nalist who recently returned from China after a year living and working in Guandong.

ability to take action."

invented the system.

THE LEX COLUMN

Slicing up the Italian cheese

BSN/Agnelli

When it comes to feeding the Europe of 1992, the French group BSN is leaving the oth-ers standing. Having just snatched the number two posi-tion to the UK biscuit market, tion to the UK biscuit market, it now has a potentially commanding position in Italian cheese and salami. Its initial stake in the £1bn Agnelli purchase of Galbani is only 35 per cent, but it has first refusal on the remainder. Its now established link with Mr Agnelli as lished link with Mr Agnelli as its champion in the Italian food and drinks industry is paying off handsomely: the exit p/e for Galbani is only 18 times, compared with a price of nearer 28 times paid by Nestle for Britoni.

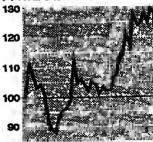
Mr Agnelli's position, as might be expected, is more complex. He appears to be pay-ing only a modest amount of the purchase price in cash. The bulk is being financed by the disposal of Fiat shares to Galbani, the sale of a further 15 per cent of his IFIL Partecipazioni company to BSN, and a rights issue partly taken up by an unnamed Gulf investment

It seems unlikely that Mr Agnelli has long-term ambitions as owner of Dolcelatte and Bel Paese. More significantly, BSN is pushing forward, along with Nestle and Unilever, to ensure that Southern Europe – the fastest-growing part of the European food market – is being comprehensively carved up by comprehensively carved up by the established giants of the industry. If that leaves no room for anyone else, that is the beauty of the single mar-

BAe/Arlington

British Aerospace's purchase of Arlington Securities seems to slam the final door on a question of public policy; just how much taxpayers' money BAe made off with in its purchase of Royal Ordnance and Rover. Of the six sites which BAE will initially hand over to BAe will initially hand over to Arlington for development, no less than five were once Ord-nance or Rover factories. But Arlington is a big developer in its own right; and to hlur the edges further, the results of the new property division will be lumped together with those of Ballast Nedam, which builds airfields in places like Saudi Arabia.

But these are merely tactical aspects. There is no real reason to doubt BAe's twin assertions that its move into property development is a long-term project, and that it still gives absolute priority to manufacRolls-Royce Share price relative to the FT-A All-Share index



turing. Regardless of the spare property which may yet be wrung ont of Ordnance and Rover, longer production runs on the aircraft side may come to argue for larger plants on fewer sites. One trusts that BAe will not end up like those Japanese manufacturers whose stock market appeal is that they will one day get out of manufacturing. But if heavy industry is to go on making its sites derelict, it might as well take on the job of converting hem to better use.

Market

The London rally may be lasting longer than expected, hat it is not looking any more durable. Yesterday's 19-point rise was mainly down to the latest hid and hreak-up stories, with favourities like Cadbury still rumning and a generous sprinkling of new ones from P & O to Scottish & Newcastle joining them. The latest advance on Wall Street underping London to some extent: pins London to some extent; relative to the Dow, the FTSE is only slightly higher than it was 12 months ago. Yesterday's rise in the US market was on the basis that inflation has turned; but even if that is so, it is too early to expect fur-ther loosening from the Fed

Rolls-Royce

Brussels is happy, the UK Government is happy, Rolls-Royce and British Aerospace are happy: the decision to double the ceiling on foreign ownership might_seem the ideal compromise. The practical problem is solved, so that foreigners can once again buy without fear of forced sales. However, the theoretical issue is as unresolved as ever. At first sight the UK seems to have won the argument over whether discrimination is justifled on national security grounds. But in return for

point of principle, Brussels has kept rather a powerful last card to itself. At the slightest evidence that foreigners are suffering as a result of the new limit, the whole question can simply be reopened, with the UK Government possibly end-ing up in the European courts after all.

after all.

For now, the new ceiling is high enough to make that a pretty distant threat, and the news can only be positive for the companies' share prices. The 3 per cent rise in Rolls-Royce shares yesterday may bear ont the company's complaint that the restriction had cast a deep shadow over its shares; alternatively it just proves that in its present sugproves that in its present sug-gestihla stats, the market views almost any story as an excuse to huy.

FKI Babcock

Is FKI Babcock a victim of the short-sightedness of City institutions or has its management's game plan been rumbled? It is a question of more bled? It is a question of more than passing interest given the current debata about the future of conglomerates. Two years ago FKI, a small electrical company with a fancy stock market rating, came to the rescue of Babcock, one of the grand old names of British industry. The latter was short industry. The latter was short of work, inefficient and had a or work, memcient and hat a management either unable or unwilling to take the sort of action which would ensure the company's long-term survival. With the help of some imaginative accounting and a few no-nonsense Northarn busi-nessmen, Babcock has been transformed into a low-cost

transformed into a low-cost heavy engineering group with a fat order book and its profits have been more than doubled. Despite this impressive turn-round, FKI Babcock's shares remain stubbornly below the 182p rights issue price struck to help pay for Babcock; so a distillusionad management team has decided to break the group ym While there is a cergroup up. While there is a certain sympathy for the group's plight, there is no real reason why FKI Babcock deserves an

above average rating. There was never any obvious commercial benefit in sticking the two bits together, and FKI's past success depended largely on its ability to issue paper to pay for acquisitions. Remove this and it is a rather dull company. The key question now is whether the sum of the parts is worth more than the 195p suggested by management. Until the North American businesses are sold, valu-ing the group's shares remains apparently backing down on a a risky occupation.

Sorrow of an exiled Chinese executive

Katherine Forestier profiles Wan Runan who dared to support democratic reform joint venture with Unisys, the US computer company, and made a success of the product. The academy then claimed

HEN some of China's dissident leaders turned up in exile in France last week one man looked distinctly out of place among the students and aca-

Wan Runan, wearing a well-cut Western suit, was a rarity not just in the democracy movement hut China as a

He was probably the country's most influential independent business executive until his name appeared on arrest warrants following the brutal suppression of the peaceful protests in Peking on June 3 and June 4. He and his company, the Beijing Stone Group, are now paying the price for the sympathy they expressed towards the democracy move-

Wan, 42, is on the list of seven prominent intellectuals named by the authorities as behind-the-scenes leaders of the student movement. The company's offices are occupied by People's Liberation Army soldiers. Wan has been sacked from his post as president and, along with six of the 11 vice presideots, is in hiding abroad. He reached Paris from China via Hong Kong and the US.

Wan was a pioneering figure in China. While there are many small-scale private or independent businesses in the People's Republic, only a handful have achieved national importance, the most innovative and influential being

Wan, who had been a computer scientist at the Chinese Academy of Sciences, set up Beljing Stone five years ago with capital of Rmb20,000

He started with a team of seven. By this year Stone employed 900 people and had

27 subsidiaries, branch offices and offices in Japan, the US and Europe. In China it accounted for about 80 per cent of China-produced word processors. Turnover last year was Rmh49m. In dollar terms, exports leaped from \$1.23m in 1987 to \$3m last year.

But the Beijing Stone Group was more than a company. For its people, who call themselves Stone People, it was a philosophy that for the past five years had challenged communist orthodoxy with the support of the reformist wing within the Government. If economic reform was to have any effect.

change. The unit became one of Zhao Ziyang's think-tanks.

When the student movement erupted in April, Wan gave it his support. After martial law was declared he called for the National People's Congress to be convened to discuss their demands. In exile in Paris, demands. In exile in Paris,
Wan reiterated that political
reform was essential if economic change was to continue.
"If the political system is not
changed, we cannot have economic development," he said.
The key, for him, was for
China to do what it had failed
to do since the communist revolution in 1948t harness the tal-

pose he was achieving. With the support and interest of Zhao Ziyang, Stone was being used as a model for others to follow. New quasi-independent companies being set up under state-owned research institutes tried to follow the Stone example of co-operative management that gave free rein to ini-tiative, as well as economic incentives to talented people. In addition, about 10,000 other independent high-tech companies had mushroomed, again

using Stone as their model.

Almost all young computer scientists had wanted to join one of these companies, with

For the Stone philosophy to spread, Wan was convinced of the need for political reform. He set up a unit which became a Zhao Ziyang think-tank

olution in 1949: harness the tal-

in China, the Stone People saw it as a philosophy that had to he spread thronghont the industrialising economy. Wan is not clear what will

happen to Stone. "It could be closed, be absorbed into a state enterprise, or gradually decline," he said. What is certain is that it has not only lost its exceptional founder and president but also the political influence that allowed it to out-compete state institutions.
Wan was a confident of Zhao

Ziyang, the former Communist Party leader, who had recognised its methodology as the hope for igniting talent and hence economic development. Wan's downfall proved to be linking corporate reform with political change. For the Stone

philosophy to spread throughout China, he was convinced of the need for political reform, setting up a political research unit to examine and lobby for

ent of its human resource To make the distinction between Stone and its stateowned rivals, where scientists have long felt stultified and undervalued, its company watchword was that the only

thing that it would not tolerate was the suppression of

tailent The resulting dynamic atmosphere within its Peking offices was rare in China. But Stone was different from its Western equivalents and should not be labelled "private" or "capital-ist". It was, in effect, a co-operative enterprise, owned by its employees but with firm management. It also performed many of the roles of the traditional communist work unit, such as providing subsidised housing and a string of welfare

Wan had hoped that the suc-

Stone being their first choice. The success of Stone had prompted an ideological debate long before the June crisis. The issue was whether, in a Marxist country, a non-state com-pany should be allowed to dominate the incrative com-puter industry. Many scientists wanted to transfer from state work units to Stone. Often their bosses refused permission. On the other hand, with support in high places, Stone was allowed to expand rapidly and even to take over the management of two state work units - a factory and a

research institute. The issue came to a head when a computer scientist invented a Chinese-English typesetting system while working for a subsidiary of the Chinese Academy of Sciences. His work unit was not interested cess of Stone would lead to in developing the system. He more such companies, a pur-

Agnelli and

Continued from Page 1

Mozzarella accounts for 15 per cent of the 840,000-tonnes-a-year Italian cheese market, market share of 17 per cent.

a number of acquisitions since then, both in Italy and in Spain, in sectors such as brewtog and grocery products. BSN said It had pre-emption rights over Ifil's stake in Galhani. BSN, which recorded a 9.6 per cent increase in sales in the first balf of this year to FFr23.2hn (\$3.6hn), said the Galbani acquisition was not connected to its decision a fort-night ago to sell on to PepsiCo of the US two UK crisps producers, Smiths and Walkers, which it had bought a month

BSN buy into Italian cheese

international development through Danone's distribution network.

Europe's largest, and Galbani is leader, ahead of Kraft, with a BSN originally teamed np with the Agnelli family in January 1987, when it combined with Ifil to take control of San

Gemini Ferrarelle, the leading Italian mineral water producer. The alliance was cemented later that year with BSN tak-ing 20 per cent of Ifil Partecipazioni and Ifil taking 4.9 per cent of BSN.
The two partners have made

US relaxes curbs on **PC** exports to West By Lionel Barber and Nancy Dunne in Washington

THE US has relaxed curbs on the export of popular personal computers to Western destinations and is to press for the easing of multilateral restrictions on the sale of these items to the Soviet Union and Eastern Europe.

The move hy the US Commerce Department may signal a loosening of US export con-trols on technology transfers to the Soviet bloc but it does not go as far as US computer companies - and certain Western allies – would like.

The decision is expected to be used as a negotiating stance during the meeting this week of the Paris-based Cocom organisation - which governs technology transfers by the industrial countries.

The US move involves desktop models such as the Apple Macintosh Plus, IBM PS2 and IBM AT-class compatibles.

to be the equivalent of mid-1980s technology.

The Cocom rules allow for this unilateral liberalisation.

These are computers with a processing data rate of up to 63m bits per second, considered

The US will ask to extend it to Eastern bloc countries in line with President George Bush's desire to expand trade "in areas that improve prospects for prosperity for Eastern Europe without harming America's national security,

Mr Robert Mosbacher, the US Commerce Secretary said. Mr Mosbacher said the liberalisation was justified because similar computers were available to Communist countries from suppliers to 11 countries, notably Brazil, Taiwan, Singa-pore and India.

The Pentagon argued that the technology was not avail-able in any significant quantity or quality outside Cocom coun-

Miss Maryann Karinch, spokesman for the Computer and Business Equipment Man-ufacturers Association, said the decision to allow shipment of personal computers to West-ern destinations reflected US

concern that American compa-nies be able to take advantage of the single, integrated EC market hy 1992. However, Mr Ed Black, a spokesman for the Computer

and Communications Industry Association, implied that the easing was less than meets the There were several restric

tions on the sales, even to Western destinations, he said. US companies sold about six million personal computers to 1988 – of these about 2.7m were sold outside the US.

Mr Mosbacher said the relax ation of export curbs offered the chance for American com-panies to make "big money."

UK told to clean up its water or face European court

By William Dawkins in Brussels and Richard Evans in London

privatisation plans suffered another setback yesterday when the European Commission promised to take court action against the UK in two months unless it ahides by EC drinking water purity stan-

don as an attempt to put increased pressure on the UK Government to reach an early agreement after months of crimonious negotiations.
Settlement of the row about water standards is essential if flotation of the 10 water authorities in England and Wales in November is to be a success. Continuing disagree-ment would raise too many

doubts among investors. The Brussels anthorities agreed in principle to take Britain to the European Court

of Justice for failing to adhere to its EC treaty obligation to observe European water stan-dards, but defeared action to allow national and Commis-sion officials to seek a solution to the long-running dispute.

Failing that, the court could ultimately force Britain to clean up its water without the option of negotiating with Brussels. This increases pressure on the Government to add

to the billions of pounds It will already need to spend on improving water purity during the industry's privatisation.

The Brussels decision fol-lows an inconclusive meeting last week between Mr Nicholas Ridley, UK Environment Secre-

tary, and Mr Ripa Di Meana, European Commissioner for the Environment. Their officlals will meet again before the end of the month.

Continued from Page 1

immediately after the figures were released but then slipped to stand about 15 higher at

top end of its New York trading range at Y142.00 and DM1.9035.

The June figure means that the rate of inflation in the second quarter was 5.7 per cent annually, down from 6.1 per annually, down from 6.1 per cent in the first quarter. The producer price index for crude and partly processed materi-als, released on Friday, sug-gests that further falls in infla-tion can be expected.

Analysts were especially encouraged because the fig-

inflation rates of earlier months. Medical care rose 0.7 per cent in the month and 7.5 per cent in the year; it accounts for 6 per cent of all

more sharply, as the industry

economic slowdown appeared in the figures for new huilding

permits, published by the Department of Commerce. The issue of new permits fell by 3.5 per cent to an annual rate of 1.3m, bringing the figures for the first half of the year to 12 per cent below the annual rate in the final quarter of 1988. Stock markets and currencies,



Great Lakes Chemical Corporation

has acquired a majority interest

The Associated Octel Company, Limited

British Petroleum, Texaco and Mobil

The undersigned acted as financial adviser to Great Lakes Chemical Corporation in this transaction.

Shearson Lehman Hutton International, Inc.

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WORLD WEATHER

Inflation slowdown lifts US markets

The dollar held towards the

personal spending.

ures showed the same low rate of inflation when the volatile food and energy components were eliminated. There was a sharp fail in clothing prices,

reversing earlier strong rises.
Only a few categories continued to sustain the high Tobacco has been rising still

rapidly shrinking market. Price rose 1.9 per cent in the month, to bring the annual increase to 14.3 per cent.

Another confirmation of the

FINANCIAL TIMES THURSDAY JULY 20 1989

SECTION III

FINANCIAL TIMES



Rarely have architects been the focus of such heated public discussion. Frequent Royal

interventions have helped sustain the pressure for more socially responsible developments, but as Colin Amery writes, the results still leave much to be desired

Cash versus aesthetics

architecture is a hot subject. Public interest has grown to an amazing degree partly because of a growing interest in all things environmental and, it has to be admitted, to the high profile given to the subject by Prince Charles. His speeches and his television film seem to have touched a raw nerve with the architectural profession and evoked a sympathetic response with the majority of the general public.

His interest has recently

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AND DESCRIPTIONS

The state of the s

extended way beyond polemic. As a major landowner in his Duchy of Cornwall he has begun to adopt a new approach towards development that attempts to balance the social, aesthetic and economic inter-

ests in equal measure.

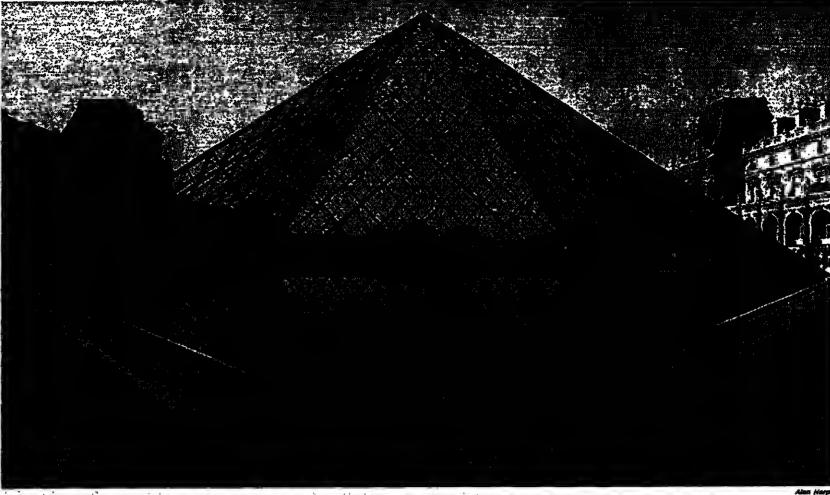
The plan for the expansion of the Dorset town of Dorchester drawn up for Prince Charles by architect Mr Leon Krier is an imaginative onethat has received enthusiastic public support in a comprehensive community planning exer-cise. Will the Prince provide an r for the nation that will bridge the gap between economics and aesthetics?

Architects have quite a task new generation of architects have quite a task new generation of architecture along them if they are to planners and craftsmen improve their public image. re-establish total respect.

NO ONE could possibly deny that they should be suffi-the fact that at the moment ciently worried as a profession to start 1989 with a launch of something called a "Campaign for Architecture" is in itself remarkable. It has been suggested that it is not so much the recent critical attacks that have shaken architects but the actual reorganisation of the profession itself that has caused problems of

identity. The Government's distrust and dislike of professional monopolies has forced the rather cosy world of the Royal Institute of British Architects into the market place. In the past the profession was not concerned with its public image. Architects lived their lives confined by codes and restrictive practices and, it has to be said, were not too wor-ried what the public thought of

The object of the "Campaign for Architecture" is not just to improve the public's perception of the profession but also to help architects "feel good at what they do". Advertising may possibly help a belea-guered profession but it cannot do very much about quality of design. Only a well trained new generation of architects, planners and craftsmen-can



ARCHITECTURE

mechanistic rather than the spiritual or the natural have been adopted by many architects and many schools of architecture as though they represent the architectural tradition. But there are many changes afoot, not least the revival of a sense of history and through that a gradual

move away from abstraction. There is good architecture in Britain, not always the work of internationally famous and much promoted architects, but none the less important. During the current building boom there have been a few developers who actively promote the idea that "good architecture is

good business". No one can doubt the scale of the boom; it may be on a temporary slide at tha moment, but it is buildings of quality that will outlive it. The problem of the past decade of expansion has been to find a way of belancing aesthetic and

that the balance has swung further towards economic success than towards environmen-Architects feel rather like a

threatened species – under pressure from developers to build as fast as possible and to accept the new disciplines of imposed project management and design and build; from planners in spite of a government circular that urges local planning committees not to become involved in aesthetic matters; and, above all they are, as a profession, under pub-lic pressure to produce build-

ings that everyone will like.

There have been many opportunities for the profession to demonstrate its skills freed from some of these pres-sures in the areas covered by Urhan Development Corporations of the new rules of Enter-prise Zones. The London Dock-lands is a living demonstration of architectural achievement

under conditions that are as ideal as any architect is likely to find. The lifting of planning regulations and the advantages of rating and tax benefits have certainly achieved their prime objective of attracting develop-ment. The consequence, however, have been to date an unholy, unplanned architec-

The influential Architects' Journal - the modernist mouthpiece of the profession agrees that we are still suffering from "transformation of our cities by massive buildings with paper-thin facadas designed by foreign architects who sold out to the developers

decades ago."
The public could be forgiven. their horror of architects when you look at parts of Docklands and see the failure of the design professionals. Here, of all places, the architects seem to have lost their role as leaders of the building team. The architectural evidence of

profession by marketing and polishing up its image. "Marketing has its own public image and it is one of superfici-ality, insincerity, dishonesty, vested interests – everything that the professional practice of architecture ought to stand

Docklands is a mass of second

rate buildings and only a few

schemes of quality. On what

has been for years the largest building site in Europe the

major monument will be Canary Wharf, an out of scale and out of date tower of rent

collecting offices. As a monu-ment to the building boom the

The Architects' Journal has

few kind words to say about

saving the reputation of the

pointment

against. It is no way to com-The only way for the profession to command respect is for architects to accept the concrete fact that they have a huge public responsibility. It is with a public who do have an understanding of quality and who are not remotely afraid of new designs. Architects, tha public and indeed Prince Charles are at one in the search for quality. While a wide ranging public debate is to be welcomed, when

it descends into an acrimoni-ous argument between the profession and the public it becomes pointless. The argument is only about quality and there is good quality classical architecture as well as good quality vernacular and modern architecture. Polarising the architectural debate is dangerous and damaging.

Perhaps the key to a new future for architectural quality in Britain lies in a big improve ment of the standards of archi-tectural education.

Building bye-laws once gave degree of aesthetic control but since they were superseded by the Town and Country Plan-

CONTENTS

Prince Charles: A personal The FT Architecture Awards

rope; South-east Asia; US

face of the prof

ning Act of 1947 planning com mittees have been encouraged to believe that as long as an architect was involved, design was in safe hands. To carry

this amount of responsibility is alarming and must demand the highest possible standards of The teaching of architecture is carried out in soma 36 schools. They share no particular curricular discipline. In fact they share only a desire for a liberally based environmental education and an old fashioned

belief in undisciplined self-ex-Students suffer from an almost total lack of historical knowledge and a difficulty in understanding rules of propor-tion, materials as well as basic principles of construction. The iong training period does not seem to equip architects for the world of business.

A key area where more educ-tion is clearly needed is in the relationship between architects and the construction industry. There is no doubt that there is a lack of understanding on the part of many architects of the principles of prefabrication and the opportunities it offers.

It is a curious fact that it is perfectly possible to buy a highly engineered car off-the-peg and yet impossible to buy a well designed kitchen or bathroom that can easily be fitted into an existing house. The relationship between those who design and those who carry out the work of construc-

tion is at best a remote one.

The "professionalisation" of architects has taken them further and further away from the builders. Great architects of the past knew in detail about building construction and could themselves have built a building. Even as recently as the 1940s architects like Lutyens were close to the

As life has become more mechanised there is all the more reason for an end to the separation of the architects from the builders. Only in a rmion between the makers and the designers will basic quality return to architecture at all levels and this process will have to begin in the schools.

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There does seem to be an increasing awareness of the inherent value in creating buildings of character; buildings which do not reject the inspiration of our own, and other, architectural traditions. More important, perhaps, developers are beginning to acknowledge some of their responsibilities to the communities in which they

Yet despite all these potential changes for the better, there is a disturbing ten-dency apparent in some of our newer city centre constructions which may, if it goes unchecked, prevent us from obtaining buildings of real delight, and which in the long run may jeopardise the whole philos-opby which lies behind those changes. I am referring to the manner in which we build the public faces of our buildings.

The trouble is that if you take a closer look at a new building which initially may catch the eye in passing, or in the pages of a book or magazine, you will often find that there is nothing on the exterior of the

building to reward closer attention.

Those things you admire initially turn out to be only skin deep, and a very thin skin at that. What seemed like brickwork is in fact pasted on in panels; the stonework looks fit to crack at a touch. Everything of interest chant the building can be thing of interest about the building can be seen at a glance; closer attention only

diminishes it. I fear that in 30 years' time our children will cower as they pass these insubstantial hulks, afraid of being struck down by pieces of falling facade, and they will point to them as an indictment of 'traditional'

forms and materials in architecture. Good builders do still exist. Mr Kelth Critchlow, an imaginative architect, told me aboot an old builder whom he

The case for a more caring approach



Prince Charles: a plea for better quality

unwisely asked to select his materials from a display panel consisting of slices of various bricks mounted on board. Tha builder pushed them away impatiently. "What's the use o' them?" he demanded. "I

can't feel the backs of 'em.' Some builders would, I fear, have been content to mount the whole display panel on a steel frame as cladding. That feeling for materials which used to characterise the builder seems to be in danger of disap-

Nowadays building is increasingly regarded as a grand management exercise, speed of construction being the prime

This is an approach which seems to be becoming dominant among a certain type

need rebuilding, every 20 years

Tenants, too, are beginning to of developer and it is one which is having a devastating effect upon the durability of the construction of new buildings.

When builders and developers regard themselves merely as organising managers, and building itself is regarded almost solely as the process through which they can achieve the fastest possible financial return, quality easily gets misiald. Surely we should be concerned with producing lasting buildings, as well as with the speed of progress on site, and how soon we can get the tenants in

The tragedy is that developers are often happy to spend a great deal on expensive durable materials such as stone, marble and granite, but they regard construction in the traditional sense with such horror that they end up with buildings that are no better in quality nor more durable than a tin shed.

Large factory-made panels of stone and brick are brought to the site and clipped on to a steel or concrete frame, the joints being sealed with mastic, a material which at best has a lifetime of between 15 and 20

Just because commercial clients are demanding greater flexibility in the *interi-*ors of their buildings is no reason for making the exteriors equally dispensable.

The short-term approach is coming to be regarded as normal building practice. Funding institutions and building owners are beginning to assume that certain buildings will have a short life, and they calculate their returns accordingly. Only the more enlightened are prepared to distinguish between a building that will only require refurbishment, and one that will

Tenants, too, are beginning to recognise the shortcomings of short-termism, and in some cases are refusing to take on full repairing leases on new buildings. The danger in all this is that a 20-year life span for buildings will become institutionalised as bankers, building owners, and their ten-

ants protect their interests. Developers, builders, and those in the building industry know that a significant proportion of what is being constructed today will not last, and that problems are being laid up for the next 10 or 20 years. But they see this as neither wrong nor

They blame land prices, particularly those of city centre sites such as Paternos-

someone owns land, or a building, no matter for how short a time, then it is their right to do with it as they please, within the limits of the planning regulations, regardless of where it is and who or what

may be affected, today or in the future.

The result is that buildings are becoming like cars, or any other personal goods or chattels. They become disposable, and are quickly passed on. In such circumstances the short-term approach must, I suppose, appear to be the only cost-effec-

tive one.

The saddest thing is that even landowners and funding institutions which have a long-term interest in a site are carried along by these attitudes, presumably on the advice of their professionals, and are

HRH The Prince of Wales reflects on falling standards, profits over aesthetics and an architectural malaise which may, he says, prevent us from creating buildings of real delight

lishment.
There is a noticeable move-

insurance and unit trust busi-

ter Square in London, where they have become so high that building costs pale into insignificance compared with the interest on the price of the land.

There is clearly an incentive to shorten

development time, but I do not believe that this can be the whole reason. These kinds of pressures are the sort that developers have always had to deal with through the centuries. I believe attitudes also have something to do with it, which seem to stem from a changed approach to land ownership.

Instead of the traditional concept of ownership where land is deemed to be held in trust, the belief now is that if

persuaded to act against their own best

Architects seem quite willing to provide buildings which appear to be 'traditional' but which otherwise conform to current building practice with all its associated ills

and defects.

The danger is that by the end of the century 'traditional' architecture could become affected with all the same problems that we associate with the worst

'modern' architecture.

The answer is, perhaps, to go to the heart of tha problem, and for landowners and pension funds in whose best interests and pension funds. it must be to apply a longer-term approach

to ensure that they get real, lasting build-ings from their developers and architects. Such institutions should perhaps extend their powers of patronage beyond the superficialities of a building - those things which look good in a drawing -and extend them to the manner in which their buildings are put together. Perhaps in this way the prevailing attitudes towards building and land ownership can begin to be changed, and the balance redressed back in favour of a longer-term, more caring, approach.

'Fast track' techniques of construction are nothing new. The steel frame, imported from American practice, revolu-tionised building in London during the Edwardian period at the turn of the cen-

Yet this was also the moment when London was transformed from a city of brick into a city of stone, and when decorative craftsmanship in both those materials was of a high order.

The Ritz Hotel on Piccadilly is just one The Ritz Hotel on Piccachity is just one building from that period which demonstrates the compatibility of modern technology and traditional civic values. Indeed it was the savings made in buildings like this by the use of the steel frame which enabled more money to be diverted into the public parts of the building, and which thereby contributed to the magnificence of Edwardian London.

There is a place for saving money, and in my view the public facade of a building is not the place. Certainly there are a few hairline cracks showing now in the 80-year-old facade of the Ritz, just as there are signs of strain showing in other buildings of the transfer from that particle. But ings of the type from that period. But these are nothing, I suspect, to the fatigue which will overtake some of our own buildings well before their predecessors' useful life is over.

The 1989 Financial Times Architecture at Work Awards

Justice for an old town project

THE winner of the 1989 Financial Times Architecture at Work Award is tha Courts of Justice in Truro, Cornwall. The architects are Mr Eldred Evans

and Mr David Shalev. There are three commendations: Princes Square Shopping Centre in Glasgow, architects Hugh Martin and Partners; Stockley Park Business Park near Heathrow Airport, archi-tects Arup Associates and others; and The David Mellor Factory in Hathersage, West Derbyshire, architects Michael Hopkins and Pariners.

The 1989 entry for the now biennial Architecture at Work Award was an impressive one. Some 70 entries were submitted and the jury visited a lengthy short list. This year's jury consisted of two archi-tects, Mr David Allford of YRM

Architects and Mr John Outram; the layman's interest was represented by Lord Gibson. Tha range of entries was wide and highly representative

The growth of the retall sector had quite an Impact on the competition, bringing a variety of buildings that showed a range of architectural quality

of changes in the economy and areas of growth. The business park is now an established feature and an area where there are encouraging signs of good new designs for buildings and impressive landscaping. Crown Courts, police buildings and an increasing number of health service buildings show that public sector spending does continue on quite a substantial

The approach of the Property Services Agency to archi-tectural competitions, particularly in the important field of law courts is encouraging. The roaring growth of the retail sector had quite an impact on the competition bringing a variety of buildings showing a wide range of architectural

The out of town supermarket still leaves much to be desired in design terms although there are some considerable improvements. Shopping centres are now playing their part in the

reinvigoration of the inner cities, the commended scheme in Glasgow is a particularly

The innovation centre is a

in association with the busi-ness park, particularly if the park is associated with a local university or research estab-

and orbital routes.

The jury of the competition considered the winner, the law

courts in Truro to be outstand-ing. Thay were particularly impressed by the effect of the new building upon an old ment of clerical and computer activities associated with the

It should by now be well nesses into the countrysida. known that the delicate fabric The growth areas are often on of old towns can be so easily the edge of agreeable county towns and within the new curdamaged by the insensitive addition of out of scale new tilages defined by by-passes buildings. The circular form of the roof, the clear white mate-rials and the very subtle scale

The Courts of Justice in Truro, Cornwall: a sensitive addition to an old town in an era when the fabric of towns can be so easily damaged by the addition of out of scale new buildings. Both the Law and Truro have benefited

of the building in relation to the surrounding houses make this an exceptionally sensitive addition to Truro.

It has an intricacy about its walled spaces and gardens that is delightful. Inside the courts themselves the architects have achieved a cool dignity which is impressive but not frighten-ing. The Law has been well served and so has the town.

The commended schemes were all of very high quality indeed, representative of a new level of achievement by a few outstanding members of the architectural profession who have concentrated on design and not polemic.

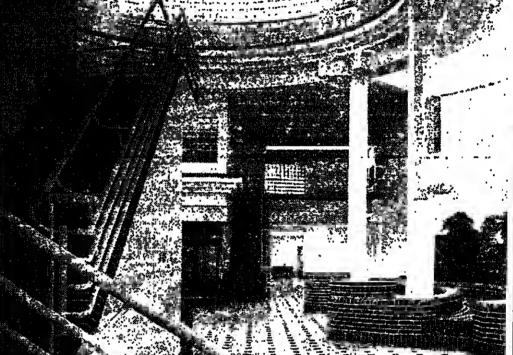
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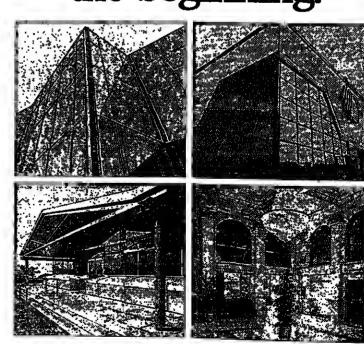
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ARCHITECTURE 3

Paris sets the pace

Paris after the celebrations of the anniversary of the French Revolution many more sub-stantial reminders will remain of an architectural kind. France wears the architec-tural victor's crown in Europe.

The decision to commission what are known as the Grands Projets in Paris was a bold one by the French Government and monstrates a commitment to the building of important pub-lic monuments that is practi-cally unknown in other European countries

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Section 1

The new Opera de la Bastille was the setting for the opening concert of the celebrations. Designed by Carlos Ott, a French Canadian architect, it is intended to be the setting for more popular musical enter-tainments than those that are performed in Garnier's great Paris Opera. it is in the "white architecture" style, very square and grid-like and inge-niously occupying a difficult

Le Grande Arche at La Defense is in effect another Arc de Triomphe but this one is at the opposite end of the Champs-Elysées. This is an open cube of offices in grey and white marble designed by the late J O Von Spreckelsen. It is a powerful object on a huge scale, apparently weightless but in fact colossal.

Le Grand Louvre is famous because of the pyramid designed by I M Pei in the courtyard of the Louvre. But less well known are the acres of underground space with marble walls, a grand book shop, intriguing hydraulic lifts and a superb sense of a fine detailed and well designed

The completion of the giant Finance Ministry in the Twelfth arrondissement at Bercy on the Seine, has enabled the space once occu-pled by the treesury civil servants in the Lonvre to be returned to museum use.

designed by P Chemetov and B Huidobro is like a massive viaduct of white stone justing into the river. A heliport on the roof enables ministers to land at great expense and there is a lavish ministerial apartment and ministerial offices angled to ensure a perfect view of

Notre Deme. Perhaps the most impressive achievement of the Grands Projets was the conversion of the old grand railway station of the Qual D'Orsay into the

No country can replicate the quantity of buildings that France has erected to mark the bicentenary

Musée d'Orsay. This new set-ting for a great display of 19th century art was designed by the Italian architect Gae

Further east along the Seine is a new museum and cultural centre — the Institut du Monde centre — the Institut du Monde Arabe on the Quat St Bernard. This is a remarkable piece of high-tech architecture by Jean Nonvel, the star of French high-tech design. It has a stag-gering wall composed of open-ing and closing irises, like lenses, that adjust to the inten-sity of the sunlight. Like some updated version of an Islamic screen it has become a site of Paris. The Parc de la Villette is Paris. The Parc de la Villette is open space filled with futuris-tic sculptures as a prelude to the large Science Centre.

All aspects of culture have been considered to commemorate the Revolution and all of them have resulted in impor-tant new buildings. Paris is the capital of Europe this year and in architectural terms looks likely to retain its pre-emi-nence for a considerable time

hope to replicate the end quantity of public buildings mark its revolutionary anni-versary, there are notable nents in other parts of Europe.

Spain is likely to be the next focus of architectural attention, perticularly Barcelona as the home of the next Olympic Gemes. The Amin Stadium is to be designed by the distinguished Japanese architect Arata Isosaki. His brilliant construction will unite the design skills of East and West. There will be many applicate in Burca. will be many projects in Barce-lona and there seems to be an architectural renaissance in Spain that parallels its political growth as a democracy.

West Germany, recently in the forefront in the building of museums and regional opera houses has opened an opera house that is a monument to a great old master of modernism. Alvar Aalto designed an opera house for Essen some 30 years ago. The entirely posthumous design was built from 1983 to 1968 although in spirit it pre-dates the more famous Finlan-dia Hall in Helsinki.

It is highly unusual to build

the work of deceased archi-tects, however distinguished, but West German critics are full of praise for the quality of the construction.

In Stuttgart, stands one of the most popular of the country's new museums. The Staatsgalerie was designed by the British architect James Stirling and it remains one of the most intriguing and original contemporary buildings in Eprope.

The opening up of European markets in 1992 is bound to increase the demand for more advanced infrastructure and for more new buildings. The talent is there and it is Euro-

Michael Marray finds the Hong Kong skyline is one that people love to hate

Receptive mood for bold designs

when mr normal reserva-headquarters for the Hong-kong and Shanghai Bank had its grand opening in 1986 it established itself as the building people in Hong Kong either love or hate, a high-tech extravaganza standing out on a skyline made up of rather conservative concrete and glass boxes of the interna-

But love it or hate it the Hongkong Bunk can be cred-ited with having stirred up nublic interest in architecture locally, and more important made the developers more receptive to new ideas in design. Local architects, busy in the midst of the construction boom, are pushing through designs which only a small almost appearance of the construction boom, are pushing through designs which only a small almost appearance of the construction because of the construction because of the construction of the constr few years ago would almost certainly have been left on the

certainty have been test on the drawing board.

"There has been a tendency not to indulge in architecture, but to build," said Mr Anthony Hackett, who originally went to the British colony to work. on the Hongkong Bank project, but stayed on to found Hackett and Griffiths with his partner Mr Keith Griffiths.

Mr Hackett believes local architecture is in a period of transition, with clients becom-ing aware that good design and sound business sense can go hand in hand, as end users demand higher quality build-ings and show a willingness to pay a premium for a famous

This point is underlined by Mr Brian Courtenay, a direc-tor of Palmer and Turner, which has been active in Hong Kong for well over a century, and in the 1920s designed the Hongkong and Shanghai Bank building in Shanghai, still a landmark on the famous bund waterfront.

Mr. Courtenay said that until five or so years ago developers were highly conservative and adopted a "get it up and rent it out quick" attitude. the image of a building is a great selling factor," he said. Palmer and Turner designed Hong Kong Land's Exchange Square complex, which with the bank ushered in a new generation of buildings in

A 10 minute walk away is the Bond Centre, designed by American architect Mr Paul

Hong Kong clients are becoming eware that good design and

sound business sense can go hand in hand

Rudolph. It has quickly established itself as one of the best known buildings in Hong

The latest sanamark for the territory is the Bank of China building, designed by Cantonborn I M Pei, which soars skywards in geometric sections, and is the sixth tallest building to the world ing in the world.

All these examples are modern in style, with high-tech influences, and although rather late, a post-modernist influence is now to be seen

"Unfortunately Hong Kong is always following in other people's footsteps," said Mr Rocco Yim, founder of Rocco Design Partners. He argues Hong Kong is now emerging with designs which are "half-baked post modern," and many years behind Europe and

"I don't think we yet have a Hong Kong style," Mr Yim said. Instead, the character of local buildings was deter-mined by the need to build in confined spaces, squeezing the maximum usuable space for the client within the planning regulations. Construction costs are often only athird of the cost of the landitself.

Within Asia Mr Yim sees only Japan as having suc-ceeded in asserting itself with its own style, combining its good design with its new found economic power to create powerful architecture.

Elsewhere in the region many rather faceless office

business districts, generally reflecting the conservative tastes of the big corporate, and often multi-national, clients. Local cultural influences are

beginning to assert themselves in cities such as Taipei and Bangkok, but Mr Yim sees little evidence of any individual style emerging. None the less he is encouraged by the fact that developers, many of whom still turn event will the second still the second still turn event with the second still turn event second se whom still turn up armed with a magazine and point to what they want as if choosing from e catalogue, are becoming more receptive to ideas put forward by their architects.

Plans by Palmer and Turner for buildings in Taiwan, Hong Kong and nearby Macao exhibit a move away from the curtain walled box towards post modernism, such as the extension to the Macao Hyatt Hotel, with its pitched roofs,

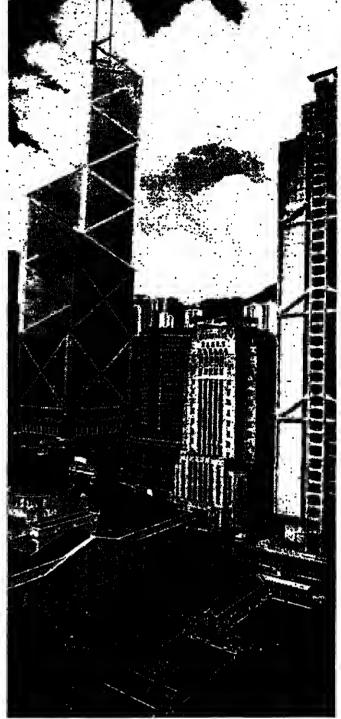
ediments and turrets. Two of Hong Kong's most aggressive entrepreneurs, Mr Thomas Lau and Mr Joseph Lau, have commissioned Hack-ett and Griffiths to build a 30storey office and retail tower which Mr Hackett describes as am extension of the art deco language," paying homage to the early skystrapers of North America.

Hong Kong Land, the colony's biggest landlord, has oined in with a design by a large local practice, Wong Tung and Partners, for a comtral Hong Kong which includes many classical features such as a pyramid shaped roof and decorated arched entrances.

Local architects expect modern, high-tech and post mod-ern styles to proceed together in Houg Kong, bound only by the common constraint that the only way is up as land space runs out. Several build-ings are on the way which will be taller than the Bank of

Internationally, the endless debate over styles and move-ments will continue, with pre-cise labels pinned on each and every new building.

However architects in Asia have a golden opportunity to translate new ideas from the drawing boards into reality, in the midst of a construction boom reflecting the new found



wealth and confidence of the The old and new (left) Bank of China building in Hong Kong

UNITED STATES

Flamboyant mood wanes

AMERICAN architecture has den, vice president and princi-entered e period of transition. pal for design at Deniel, Mann, The wave of fiamboyant and Johnson & Mendenhall in Los The wave of flamboyant and expensive buildings which fol- Angles, one of the most benefi-lowed decades of unadorned cial aspects of post-modern glass boxes is now ebbing as architecture is that it has the US economy starts to moved away from the bland

there seems to be a called towards variety. The so-called post-modern buildings, with their historic references, are becoming more refined at the same time as glass buildings regain some of their lost popu-

According to Mr John Bur-According to Mr John Burgee e, e partner at John Burgee Architects, the post-modern movement has forced archi-tects to return to the basics of what makes good architecture. This includes proportion, clar-ity of use and the harmony of the whole. "People are becoming more individualistic where before all companies wanted to look like IBM," he said.

According to Mr Tony Lums.

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are not very good interpreta-tions of the great buildings of

the past.

The old buildings have very strong geometry. This can be done in a modern way and with new technologies but you the foundamental must know the fundamental way forms and patterns respond to light. Nature is con-sistent in scale and order. The scale of our cities is wrong. Look at Williamsburg or Florence. You need some structure for a same life.

There is hardly any modern architecture people would travel to see in the way they would travel to Venice." Mr Michael Rotondi, a princi-

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company Morphosis, believes that the growing popularity of the Los Angeles-based com-pany lies in the fact that cli-ents are increasingly willing to invest in the unique.

"We are always looking at the possibility of saying some-thing that hasn't been said before, of pushing the state of the art to its limits," he says. In spite of the experimental nature of some of Morphosis's buildings, Mr Rotondi believes that artistic freedom and responsibility to the commu-

> There seems to be a trend towards variety as so-called

post-modern buildings become more refined

nity are not mutually exclusive. However, he stressed the need to exorcise the myth of

need to exercise the myth of the architect as artist and hero, confronting society.

A sign of the changing times is seen in the reaction to New York's AT&T building, which was completed in 1984. Accordwas completed in 1984. According to Mr. Burgee, whose company designed the building, initially it was "such a deviation it was seen as depraved. We even had hate mail. Now it's seen as too tame and we're often asked why we didn't do something stronger."

something stronger."
However, Mr. Bugene Kohn,
a partner at Kohn Pederson
Fox (the New York company
which is working on London's
Goldman Sachs headquarters Goldman Sachs headquarters in the former Daily Telegraph-building in Fleet Street) said the shape of US architecture in the next decade would be determined by economic and social considerations, rather

In the glory days of the early 1960s, occupying an expensive

pal at the more avant-garde and beautiful building became part of the corporate ego. invest in these costlier struc-tures, believing they would attract better tenants paying higher rents. However, according to Mr Kohn, the new build-ings of the post crash age will have to be less detailed in order to be affordable.

Indeed, an important emerg ing theme in US architecture is the social responsibility of architects. According to Mr Kohn, social problems are going to be more troublesome than a weakening in the economy to US architects in the coming years.

As the number of homeless

people in US cities grows, cor-porations will shy away from building plazas and atriums, which often become homes to the itinerant. "We must solve the problem of homelessness or a fear mentality will set in, leading to fortress cities and e mass exodus with building assets eventually becoming lia-bilities," he said.

Local community groups have been extremely succes in putting pressure on develop-ers and architects to produce better buildings.

"We now have more than

one client - the city planning department, local citizens and the regular client. Unfortunately they do not necessarily work together," said Mr Bur-

An example of the clout of some local community groups is seen in the planning of a skystraper at New York's Col-umbus Circle on the corner of

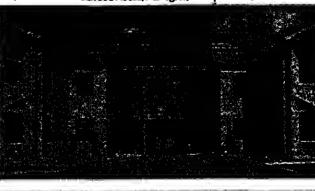
Central Park.

The original plans, put forward in 1985, have been modified and the proposed building now includes such community amenities as 4,000 sq ft of public graps in the all research for the proposed building and the proposed building now includes such community amenities as 4,000 sq ft of public graps in the all research for the statement for the proposed for the plant of the public graps in the all research for the public graph in the public graph He space in the skyscrap

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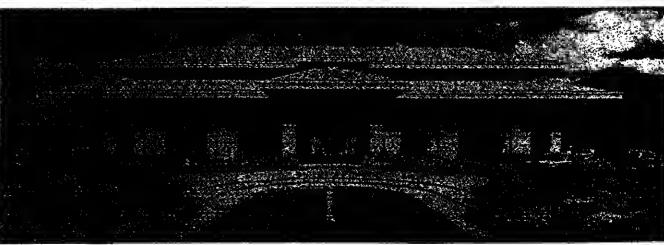
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ent has two entirely distinct sources of agrecableness, one, that of the abstract beauty of its form, ... the other, the sense of human labour and care spent upon it."

The Seven Lamps of Architecture Chill The Lamp of Truth, John Ruskin. £5m - or 33 per cent higher than under the traditional

That is perhaps why some of

the leading exponents are now

concentrating on improving performance in the design and

supervision of projects.

Mr John Spanswick, director
of Bovis says: "We are proba-bly getting down to the limits

of improving on-site performance — we are now limited by the designers' ability to do their job. The real pressure now is to produce design information to a cost and on time."

Last month a seminar in London attended by a group of

high level industry figures con-cluded that construction man-

agement was here to stay -and that it should be the pre

ferred method of fast track building.

A blueprint that enshrine

construction management and delineates the relationships

between all parties was pres-ented at the seminar, which was organised by Reading Uni-

Direct contact between the client and the trade contrac-

tors is vital, is the conclusion

of the university's study. In other words, if the building is going to be done by groups of specialist companies rather than by the builder they had better be involved directly in

eone has worked out the

best route.

method.

Costly 'fast track' tickets

THERE are almost as many routes to "fast track" a building project as there are platforms at Waterloo station. But which gate does the nervous developer choose? At each is a different consultant offering a tour to the nirvana of an "ontime, on-budget" building.
The choice is further compli

cated by the growing feeling that the price of a fast track ticket can he very high. Namely, that those who have the time for the slower, more traditional route will end up with a cheaper and more enjoyable ride.

But for those determined by outside factors to stick with inter-city there is good news. An influential document, not yet published, by Reading Uni-versity'a Department of Construction Management concludes that the number of routes to speedy completion should be cut.

Ten years ago it was simple. The client appointed an archi-tect who marshalled the other consultants. The building was designed in detail. Then the architect selected a builder and supervised the work. Its contradictions - the design was rarely completed and the client always changed his mind eant that the method has all but died on projects over £5m. The now debased word "fast

track" simply means overlap-ping design and construction. But it is also a code which allows the client to break up all the old traditional relationships. Now the architect's posttion of power can be occupied by almost anyone else.

If cost is of overriding importance the quantity surveyor can be put in charge, if it is speed that counts, then it might be one of the new breed Langdon & Everest.

of construction managers. Or if the project is highly complex, a big contractor might well be appointed as a lead consultant. Beneath the team leader, the various consultants and their responsibilities and relationships can be interchanged in an almost infinite number of

But in whatever order the consultants' carriages are linked, there are still only two ont of the many fast treck arrangements worth considering: construction management and management contracting

The former means much greater involvement for the client. The construction manager is only an adviser, taking a place alongside — and perhaps supervising — the other con-sultants. There is no "builder" as such. Organised by the con-struction manager, the work is carried out by trade contractors - one for the foundations, another for the frame, another for the curtain walling and so

Management contracting still allows the client to shunt his consultants into the required order. The work is still done by a series of trade contractors. But this time there is a builder on site - the management contractor. Not that they actually build. The management contractor'a role is to act as a cut out between client and trade contractor to hire, pay and occasionally

fire the specialists.

Either method costs more than the old way, according to two leading firms of quantity surveyors. "We would tentatively put this premium at

He says this is because there is no competitive pressure on whoever is managing the job to control their own costs, and that trade contractors reluctant to work for a builder representing "the other side" hike up their prices to cover increased risk. On top of this, the helter-skelter pace erodes productivity and increases

Mr Martin Thorp, head of research at quantity surveyors Gardiner & Theobald, says there is another hidden cost.

Direct contact between the client and the trade contractors is vitai, says an influential study

Trade contractors for major packages (such as the struc-ture) add into their tenders snpervision and fixed costs shpervision and liked costs that the management contrac-tor should have included. "So for a proportion of the project at least we are seeing

the 'double preliminaries' syn-drome." This means the client might well be paying twice for site anpervision and other facilities sucb as hnts and catering, Mr Thorp says.

He calculates that on a £50m project the bricks and mortar cost between 70 and 75 per cent of the total. The remaining £12.5m to £15m are the more insubstantial costs. Half go towards paying for the site organisation. The other £9m to £7m goes in consultants' fees. So if Mr Morrell is correct, it

John Taylor, R.I.B.A.

Managing Director

the design. That means con-struction management, which, the university states, "contains no greater risks for the client". If the report's recommenda-tions are widely accepted it will mean an end to the cur-rent multi-track confusion. There will still be the argu-ment about the price of fast track, but at least there will be the comfort of knowing that could cost an extra £5m on this imaginary £50m contract for the fast track ride. Assume

boom has been accompanied by a stream of American prac-tices looking for work in Britain. It's hardly fair, they say, that the commerciallyminded incomers should that the bricks and mortar cost attract so many of the plum the same, whichever way the projects in London with their joh is organised, say £35m. That means the fast track overslick corporate-style designs. But there is rather more to it heads, at £15m, are at least

that the UK's development

than that. In recent years the building process for many of the largest projects has changed dramatically, as have some of the clients and their expectations. The impact of the American architects has been largely due to the way in which they have understood these changes and tailored the services to the new world of

building. Major clients these days do not just look for an architect whose designing style they like. What they want is a com-pany that can match the company's needs to the building process with an efficiency that will deliver the right product at the lowest cost and in the shortest time. That may be a matter, not just of providing a suitable building, but of ana-lysing how the company operates and looking for ways of

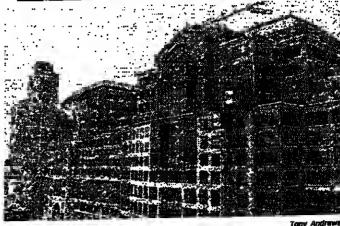
improving it.

Many such clients are American or multi-national corpora-tions, and they find that American architects are on the same

wavelength. The architects understand the ways of business, they are happier wrestling with prob-lems of development finance than posing as artists, and they are used to designers being just one part of a multi-discipline professional team. They assure their clients that the building will contribute to presenting the corporate image and that no rigid aesthetic demands will take precedence over functional criteria.

over functional criteria. The first American practice to set up an office in London was Heery, 10 years ago. At first it concentrated on project management, and its early cli-ents were American or multinational corporations and banks. Now it provides multi-disciplinary services to major UK developers.

THE AMERICAN CONNECTION



US link: the American designed Broadgate complex in London

US designers capture the plum projects

Skidmore, Owings and Mer-rill (SOM), the US's largest architectural practice, is also well-established in London. Its projects include the Broadgate development and, as master-planner, Canary Wharf. SOM was originally on track to be master-planner at the giant Kings Cross goods yard devel-opment as well, until it was outmanoeuvred by the home-grown (Norman) Foster Associ-

Architects at Canary Wharf include the American Mr Cesar Pelli. Among his credentials is his experience of designing similar huge office towers in the US, including four at the World Financial Centre in New York for Canary Wharf devel-oper Olympia and York.

Several prospective developers of leading London sites have hired star American architects. Mr Philip Johnson and Mr John Burgee designed a scheme for the second phase of London Bridge that some critics were quick to damn as a cynical American attempt to disguise an office development as the Palace of Westminster. It now faces competition from two alternative schemes for the same site, of which UK architect Mr John Simpson's classical evocation of Venice's Piazza San Marco seems cur-rently to be in critical favour as the most suitable scene to be viewed from the Tower of

Upstream at Vanxhall Bridge, Mr f M Pei, best known for his pyramid at the Louvre in Paris, has designed his first UK project: the proposed £500m Thamesgate development.

Mr Robert Venturi and his practice Venturi, Ranch and Scott Brown were given the job of designing the extension to the National Gallery in Trafalgar Square after the Prince of Wales' "carbuncle" interven-

tion had sunk the previously selected design hy a British company of architects. Unlike the hig American newcomers, Mr Venturi's attraction was not a commercial bent, but his and his skill as a designer.

experience of museum design The American architectural invasion has come as a shock to the British profession, which might have expected to have been protected by its own superior knowledge of plan-ning procedures and building regulations. But the Americans

have bought in whatever local expertise they need.
Mr Venturi runs National Gallery project from his office in Philadelphia. With British architects Shappard Robson reaponsible for day-to-day matters in London as the building progresses, there is no need for him to make more than occasional

site visits. Both Mr f M Pei at Vauxhall Bridge and Mr Johnson and Mr Bridge and Mr Johnson and Mr Burgee at London Bridge City use the British practice D Y Davies Associates as associate architect. The American practice Tribble Harris Li gave weight to its own assault on the market by buying a leading British company of architects, Covell Matthews Wheatley.

American architects are cur-American architects are cur-

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rently under the spotlight at the Spitalfields Market site in London, where the Spitalfields Development Group (SDG) has brought in US architects Swanke Hayden Connell Associates to design a redevelop-ment scheme. The SDG already had a team of five well-respected British practices work-ing on the project, led by Mr Richard MacCormac as master-planner and urban

The SDG had hoped that the British and Americans would work side by side, hot all the British architects bave withdrawn on the grounds that they are being denied a role in which they could ensure a high quality of design. Swanke Hay-den Connell now have to show that substituting American architects need not mean sacrificing architectural quality on

Robert Cowan

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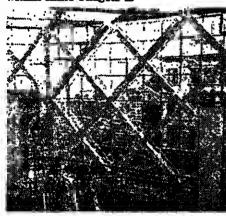
New Designs on the High Street

The protective wall huilt by architectural a formula which companies around the harvest of client patronage is not easily breached by fledgeling practices struggling to get off the

ground. show this to be John Taylor & Associates have proved a significant exception creating in six years a growth orientated business with a turn-limited company over in excess of £5 million.

In achieving this phenomenal level of growth, Taylor's were up against some of the biggest and best organised architectural practices in the game, notably Leslie Jones, Fitch Benoy, D.Y. Davies, BDP, Percy Thomas Partnership and of course Chapman Taylor who's reputation in retail design is now many years old. In addition, the last five years has seen the establishment here of some of America's largest architectural companies, most of whom

are skilled in John Taylor's field. Taylor's answer to this formidable array of corporate expertise has been to aim his have found favour with planners and cli-service directly at the clients' most funda-ents alike (a rare combination). The mental requirements. His view is that clients in all spheres require from the architect a mixture of commercial realism and innovative design talent directed at their particular needs, so that the client as an individual can be seen to be a successful commissioner of work and a project manager within his own corporate struc-ture. He believes that this service, backed up by experienced contract managers understanding the need for fine buildings within finite budgets is



Queeus West Centre, Cardiff

if adhered to will lead to snccess. Results so far

and in the top 20 of UK architectural firms in

terms of size and turnover. This pursuit of growth has not been at the

expense of high quality design. In common with most entrepreneurs, John Taylor has an intuitive skill in his choice of senior staff with complementary skills to his own. This team has created a portfolio of sensitive but commercial designs that Queens West shopping centre in Cardiff recently completed for Dixons is an excellent example of their skill in creating a commercially advantageous design on a difficult site by the use of architectural forms and the manipulation of pedestrian

John Taylor is not resting on his laurels, the establishment of an international division based upon clients in Spain, Belgium and Germany has raised the awareness of the company to the possibilities of future work coming from a newly liberalised eastern Europe and from American business using Britain as a stepping stone to the Continent. Equally, those same American links could well open up possibilities of bringing their design talents to 'Pacific tim' locations.

rim' locations. rim' locations.

At home, the recent absorption of another practice, Shingler Risdon, is to be followed by other acquisitions in an attempt to broaden further the skills, particularly in project management, where the American competition will be felt more seriously. There can be no doubt that the skill and

energy required to compete effectively with the major national and international architectural practices is encapsulated in John Taylor & Associates and a client list which includes Arlington, LET and The Heron corporation shows that the harvesting is in full swing. ing is in full swing.

AUKETT

THE CHANGING PROFESSION

Problems of identity

THE most important change to have affected the architectural profession in recent years is the perception of the architect, by his peers and by his clients.

It was traditional to see the architect as the professional artist/leader of the building team. He represented architec-ture as the mother of the arts. Very few architects suit this elevated view of themselves and very few have the talent to

There are such powerful forces lined up against this view of architects that the profession is forced, however reluctantly, to reconsider its view of itself.

The building team is such a complicated beast that archi-

tects are going to have to offer more specialised services. Architects should be involved in the earliest possible formu-lation of the brief. Clients need a great deal of guidance at this stage. It is often mishandled by the largest organisations and architects have often failed to grasp the nettle of the brief

carly enough.

The formulation of a brief is only the beginning. Its development depends upon the architect's aensitive involvement throughout the project. Con-struction management, facilities management are both spe-cialised fields that would benefit from the involvement of architects at an early stage.

The advent of the European Single Market after 1992 is an unparalleled opportunity for Britain's 25,000 architects – but they will have to specialise

that buildings are petraurily for people. A client commissioning a computer complex or a research centre, for example,

might say very early on that their main concern is security

We would say security is a technical issue which we will solve lates Before that we need

script lates, separe that we need to get closes to the spirit of the building. Why? Because several hundred people are going to be verying there—and they have

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and offer particular expertise in all fields of building design. More than one third of practices now offer property development services. Changes in the Codes of Practice have made it possible for architects to diversify and so it is natural that some 35 per cent of the profession have become devel-

opers. More than 45 per cent offer a full interior design service. It is now possible to have offices planned or space needs analysed by some 30 per cent of practices. And it is also possible to find a surveyor in an architectural practice.

The tendency for the profession now is towards larger practices that incorporate many diverse disciplines. There are 5,300 practices with the growth highest in Scotland, followed by the south-east. In 1984 a census showed that some 50 per cent of all practices were one or two person offices. Today the figure is about 40 per cent and there are some 80 companies employing more than 50 qualified archi-

tectural staff. In the larger practices, and this represents an enormous change, specialist staff are now dealing with urban planning. energy saving surveys, conser-vation, property management, landscaping, interior design and space planning, construc-tion management and surveying. It is no longer enough just to be an architect.

One area of great concern to the profession is the question of legal liability. Court deci-sions confirming the liability of partners and even family members of architects have led to large increases in insurance premiums and the spread of limited liability companies. Accompanying this desire

for cover to indemnify a prac-tice against liability losses is an increasing concern about the need to ensure "quality of design". This is a subject that raises difficulties among pro-

Institute of British Architects (RIBA) Indemnity Research Groop which is urging a co-ordinated approach to QA. RIBA proposes a common assess-ment schedule for the three QA certification groups

Lloyd's, BSI, and Yarsley.
This common route will ensure that the quality "kitemark" will be available for architectural practices.

group sees the architects in the future working under a tripar-tite system of guarantees for the client.

Architects in the 1990s may well have to adopt compulsory QA, work under a Code of Practice and undergo compulsory professional development. ft is difficult to settle on a standard that assesses the quality of architectural design work and architectural services Whether the RIBA itself should be the body to act as an honest broker for practices seeking certification of quality is itself

open to question.

One other area of big change is the decision of some prac-tices to become public compa-nies quoted on the stock market. Over the past three years six of the UK largest practices have initiated such moves.

Market analysts do not see the architectural sector as fully consolidated yet and predict the ultimate establishment of some 10 or so "super design companies" that will be listed and provide the fullest possible range of architectural and

design services.

This looks a likely future scenario for the leaders of the profession but it is one that is so far removed from internal RIBA squabbles and from the corrent state of architectural education that it represents a significant "growing up" pro-cess for a profession that has to decide how to balance creativity and busine

Colin Amery



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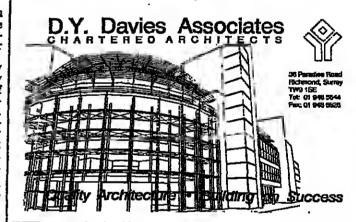
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Dismal decade for housing

THE Thatcher decade has not been a happy one for housing. It would be improper to discuss the architectural form of the housing currently being built without decrying the situation in which those in greatest need in which those in greatest need are being ignored in pursuit of a dogmatic policy which agen-cles involved in housing unani-

mously condemn.
The 1988 Housing Act has done nothing to improve mat-ters — far from it. The local authority house-building programme has virtually ground to a hait, apart from a trickle of "special needs" accommodation. Now the burden, the worries of making ends meet as well as the responsibility of

Those in greatest need are being ignored in pursuit of a dogmatic policy which agencies involved in housing condemn

producing decently designed housing, has passed to the housing associations. What kind of job are they doing at a time when they are being pres-sured into finding finance in the market-place, often for pro-jects which are in no way financially remunerative?

Some housing associations employ architects' departments of their own but the general pattern is to use larger prac-tices with a particular, well-developed expertise in the field.
Often they are in very capable
hands. As, latterly, local
authorities architects departments have acquired skill in
manipulating internal energe manipulating internal spaces to different end results or vary-

David Sid

JUSTIC

1 (11 m)

ing the external detailing, so, too, have their housing associ-

A large new-build scheme which examplifies this is the old Liverpool Road Hospital site in Islington. Here, two housing associations, Circle 33 and New Islington and Hackney, have joined forces. employing architects Levitt Bernstein and Polisrd Thomas

Edwards — both old hands in housing association work.

On a site large enough to allow for an interesting plant focused on a central courtyard. garden square and with the landmark of the principal block of the old hospital retained on site, it is a solution which complements the surrounding urban pattern of Islington, the existing network

of 19th century squares.

Kisewhere, housing associations are building on small inful sites — carrying out a worthwhile obligation to feed housing back into the city in a more intimate and manageable.

more intimate and manageable form than in the past.

Berond the confines of housing provided at least in part by Housing Corporation funds, things become leas cariain in architectural terms. Private house-building is a "market-led industry" and developers are fond of hiding behind the skirts of the house-buyer. The phrase "it's what the public phrase "it's what the public wants" is used to cover a mul-titude of sins. By building cheap they all too often produce cheap looking results—often so poorly detailed that it seems unlikely that they will be easily resuleable.

The old days of Perker Mortales and the control of the contr

ris space standards are gone, and are being increasingly lamented. It was surely naive to think that without guide-

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Private house-building is a "market-led industry". The phrase

lines, or any kind of regula-tion, many builders would bother to rise above a lowest common denominator. With houses crammed together, and rooms too small to swing a hamster, many estates are being designed with a cynical disregard for privacy and decent living space.

Up a degree or two, or a few tens of thousand pounds, are the more desirable new estates served what he or she asks for. Since customers tend to ask for what they know is available there is precious little architec-tural interest to be found on the new estates, whether they are village extensions in East Anglia or dockland infill sites. There is an outbreak of neo-

nject, by man part of a perject, and no the

PA Consulting Group

classicism and in a salubrious area of London such as Chiswick incongruous crescents and terraces have appeared smid the comfortable Edwar-dian villas. If there is one featime which seems to draw the buyer, it is a bit of trim; now that cars no longer are stream-lined with chrome, attention has turned to the house, where there must either be a touch of timber framing on the gables or else some fancy brickwork. or else some tancy or award.

It is not so far from the preferred domestic design of the
1930s - Osbert Lancaster's
Bypass Modern - updated to
accommodate the two-car and
four-bedroom family.

To meet good architectural design in the housing market place is always a moment for celebration. It can be found, here and there, in Milton Keynes, even more scarcely in Docklands — as, for example, in Mr Ian Ritchie's Roy Square in Wapping — and there are a few promising schemes on the drawing-board. Some of them are "new villages" in which the overall plan and a unified design are part of the selling package.

The most talked about is the scheme on the Duchy of Com-wall estate at Dorchester, in which the architectural choice bear the imprimatur of the Prince of Wales, or at least his architectural advisers. Mr Leon Krier, a planning and architec-tural theorist with very few buildings standing to his name, is in charge. But the scheme cies of highway bye-laws and the rest.

Self-build or co-operative self-build or co-operative ventures, even the best known such as Coin Street, Waterloo, or the Eldonian Co-operative in Liverpool, are rarely architecturally imaginative. Cottage estates in inner city sites they are scarcely adapted to the resilities of their locations; if one compares such examples with their continental counterwith their continental counter-parts, such as the new housing of the IBA in Berlin — every bit as humane, attractive and responsive to residents' needs — the conventions seem to stand in the way of any fresh

approach. Financial institutions will rarely lend to anything that is not safely conventional in design terms. Between the pop-ular taste for the predictable and "traditional" and the gov-ernment induced free for all, without standards or a guiding policy, housing in this country is in a pretty sorry state.

CASE STUDY: MILTON KEYNES

A mirror of the times

where the Prince of Wales and the Duchy of Cornwall are hopthe Duchy of Cornwall are hop-ing to set new standards for urban development. The town's proposed extension has been planned with such mat-ters in mind as the distance a person can walk in 10 minutes and the population of medieval Siens

in 1969 the planners of Mil-ton Keynes had very different concerns. Their thoughts were not on how to recreate the character of York or the socia-bility of rural Ambridge, but thow to design a new sort of city for the age of the car and the telephone.

Milton Keynes pays the price of looking unifice most people's

ifies of a city. Comedians revile it, and others — some of whom have neither been there nor know where it is — hold it in contempt. To be building a city based on the suburban, carbanter that the contempt that the carbanter. borne lifestyle that so many people choose is taken as an affront. "Auschwitz, Nuremburg and Milton Keynes," declared Mr Leon Krier, now planner to the Prince of Wales at Dorchester, "are all children of the same parents."

Despite unprecedented pres-sure from the building industry to allow new towns to be built in the south-east, the Government has decided that official new towns such as Milofficial new towns such as Milton Keynes are part of the unacceptable face of public enterprise. The development corporation which created the city is to be wound up prematurely in 1992, and future expansion will be in the hands of the private section. of the private sector.

Sensing an uncertain future, local residents have formed the Milton Keynes Forum to campaign to make the city a better place in which to live and work. We consider that the objectives of the Master Plan for Milton Keynes are as relevant today as they were in 1967," the Forum says. How many planners of the late 1960s get that sort of accolade nowa-days? But the Forum continues: "Milton Keynes is at a turning point. There is a danger that many of its qualities which we hold dear are at

The Forum points to the shortage of low-cost housing, the need for more social, recreational and cultural facilities, and - a familiar refrain in this car city - the need for better public transport.

Development pressures, the Forum claims, are making it increasingly difficult to create a balanced community. And it fears that the development cor-poration's rush to commit a large amount of expansion before it is wound up will threaten the city's reputation

Two years ago many of the development corporation's architects and planners floated off into a specially formed comon mo a specially invited com-pany, Planning Design and Development (PDD). The com-pany provides planning ser-vices to the development corporation on contract, but it has to compete with other practhes for architectural jobs, and it also works for other clients. The competition is tough,

the compension is tough, but at least the staff know that their jobs are likely to outlast the development corporation. PDD offers the chance for the development corporation to in a favourite phrase - "keep the momentum going till we hit the buffers," without having to worry about whether the necessary professionals will still be available at the end of

Film-makers chose the Cen-tral Business Exchange in the rapidly growing Central Milton Keynes as the location for filming Superman 4. The building's architects, formerly with the development corporation and now with PDD, took it as a compliment. They watched as

The Government has decided that new towns are part of the unacceptable face of public enterprise; the corporation which created Milton Keynes

is to be wound up

the cleaning gantries were used to film flying scenes in

were installed to add some futuristic touches to the scene. The architects have been The architects have been less amused by subsequent additions to the food court in the winter gardens of this coyly modarnist complex. The groups which have taken the various food outlets have been determined to impose their own architectural sense, sticking on such features as tiles ing on such features as tiles and classical columns.

they've just thrown things in with no style or reference to the structure. Modern design is less forgiving than traditional brick and tile, and adapting it

brick and tile, and adapting it needs more care.

The Food Centre, another new project designed by the development corporation and PDD, also shows how much the success of a building can depend on the occupant's response. Wattrose and Sainsbury both have large supermarkets there. Waitrose exploited the quality of the elegant, areadad building by imaginatively creating a pleasimaginatively creating a pleas-ant place to shop. Sainsbury turned a similar space into a dull, standard box.

Work is due to start soon on what will be the tallest building in Central Milton Keynes, the ecumenical city church. PDD's design shows a modern building with a dome that will be, the architects say, "recog-nisable as a church". Architects in Milton Keynes

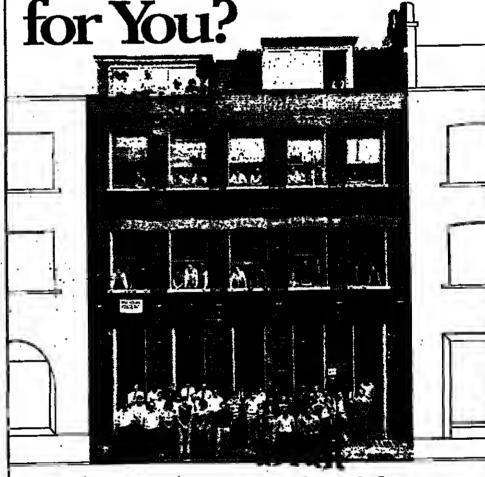
have produced an enormous variety of solutions in their attempts to find appropriate forms for a new city of the 20th century. The next test is whether the development industry is capable of maintaining the quality in the rush to get sites committed before the demise of the development

corporation.
As ever, Milton Keynes is a "They could have adapted it sympathetically," one of PDD's mirror of the age. Future histo-

Milton Keynes city centre has

rians will no doubt ponder the social significance of the new estate at Shenley Church End by Bovis Country Homes, where large thatched half-timbered houses and brick mansions are clustered in a strange parody of a traditional village. And in the adjacent neigh-bourhood of Crownhill, the residents of new housing association homes will wonder whatever possessed the devel-opment corporation to name the streets near the cremato-





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MUSEUM BUILDINGS

Prize exhibits

EVERY age has its huilding type but the mid-to-late 20th century has made the museum its own. Around the world the desire to display the artefacts of the past and the icons of the present has been a driving force. It has had repercussions both upon contemporary architecture and on attitudes to the conversion and re-use of exist-

ing buildings.
The successful city has confident, exciting museums; its antithesis has dusty, unhappy mausolea. It would be tovidious to list the latter but think, for example, of three positive examples - Paris, Frankfurt and Glasgow.

For anyone who has not visited Paris within the past three years or so, the range of new museums and improvements to the old ones is immensely impressive - the outward and visible signs of a proud city aothority, spending poblic money where necessary and recouping it in tourism, public relations and many other

There is the Gare d'Orsay a railway station turned into a splendid showcase for the 19th century arts, especially the more neglected aspects. There is the Musee Picasso, housed in an hotel in the Marais, an intricate and successful conversion. yard, crowned by I M Pei's pyramid and landscaped in immaculate fashion. For the receot bicentenary celebrations of the French Revolution, the Musee Carnavelet had been

comprehensively remodelled. In Frankfurt the museums are envisaged as a linked cul-tural circuit. Both oew and converted premises house a range of exemplary displays.

In Glasgow the Burrell Collection has been a central plank in the revival of the city and has contributed to the designation of the city as a Euro-pean cultural centre.

Museums are political statements. The decision to establish the Tate in north-west England was not a decision taken on aesthetic or practical grounds but almost entirely on the grounds of drawing a dif-ferent kind of attention to that benigbted city, Liverpool, It also gave a future to one of the Jesse Hartley warehouses at

It is oo accident that the names of a number of distinguished American architects examples - for it was in America that the museum explosion began, back in the 1960s. A state snch as Texas started from scratch and from the Kimbell Museum in Fort Worth onwards (the work of the most masterly of all gallery designers, the late Louis Kahn) it gave every city a museum

Things are quieter in the US now; the New York museums have been hosier developing their commercial potential, whether in the shape of air rights or shops which are closer to department stores. than in increasing their square

It is ironic that the architectural solution to a museum devoted to the subject of

architecture itself has proved the knottiest problem of all

Nevertheless, both the Gug-genheim Museum and the Whitney in New York are proposing extensions. In the former case a spirited campaign against tampering with Frank Lloyd Wright's idiosyncratic

design has been mounted.

The leading current hullding project in the US museum world is the Getty Collection in Malihn where Mr Richard feier is designing a complex of buildings in the form of pavilions scattered over the site. rather than as a single, monolithic structure.

There are always more prized commissions to be won for museums. A new Acropolis Museum is being considered in Athens, with the first stages organised as an international ideas competition. A short list will then be asked to prepare a second stage project. One wonders wbether Mr Robert Venturi will risk his

neck here; his final choice as architect for the National Gallery extension in London is shortly to be exonerated, or bewailed, as the building rises on its awkward site on the corner of Trafalgar Square. The planning exigencies of the Athenian site could hardly be tighter than those for the Lon-

not just a new museum (albeit in a refurbished building) but an almost new museum type. The closest relation to the Design Museum at Bntler's Wharf in Docklands, east London, is the Museum of Modern Art in New York, but the latter functions as a department within a wider art gallery

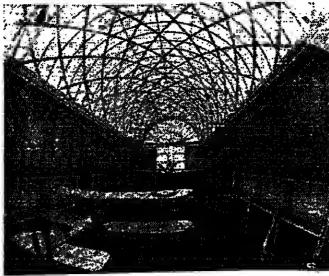
The Design Museum, the adult version of the Boiler-house, a small-scale but generally euccessful venture housed under the wing of the V & A, will deal exclusively with the matters of design in the widest sense. It is a private enterprise venture — the child of the Con-

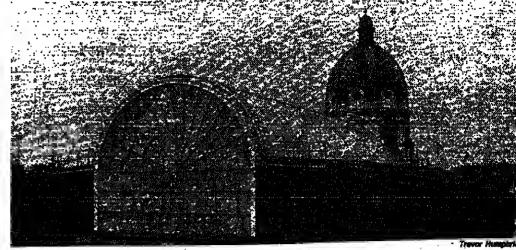
In Montreal, the world's first architectural museum opened this spring. Despite administra-tive problems, such as the absence of a director, it is a pristine showcase - although conceived in a conventional

In contrast, the small display devoted to architecture at the Musee d'Orsay is a remarkably imaginative and effective way of displaying architectural detail, in the shape of a kind of totem pole of reduced scale models. The problem of how to display architecture within a museum setting has not yet been tackled with entire suc-It requires a path somewhere between the rather exhausting

multi-media attempts mounted from time to time by the CCI (Centre du Creation Industrielle) at the Centre Pompidou and the dry, didactic architec-tural drawings exhibitions aimed at the *aficionado* only. It is rather ironic amid all this activity that the architectural solution to a museum devoted to the subject of archi-tecture itself has proved the knottiest problem of all, although Mr O M Ungers' odd-ball reconstructed Frankfurt villa goes a good part of the way while the Washington Building housed in the old Pen-sion Building close to the Capi-tol provides a wider ranging picture, dealing with planning,

engineering - in short, all that goes with buildings. It surely will not be long before someone turns their attention to a museum of





Two views of the recently completed roof gallery of the imperial War Museum, London

Gillian Darley examines changing attitudes towards the preservation of buildings

Uphill struggle for quality conservation

IN THE 1960s the battle for architectural conservation began in earnest. The spur to action was given by the explosion in redevelopment, often of atrocious insensitivity.

The objective became the promotion of a sympathetic climate of opinion towards the lesser huildings which make up most of our towns, cities and countryside. Legislation, in particular that giving statu-tory protection to designated conservation areas, emerged to give teeth to the new impulse. There have heen major

changes in attitude since then. Tellingly, the concern has affected many people's approach towards their own homes, persnading them to look carefully at a house, wbether it be Victorian or Tudor, and consider how most fittingly it can be adapted to modern life, without the sacrifice of its historic features.

The wide range of magazines that has sprung up to offer guidance, or sell products, is proof of the new interest. In principle, at least, a more discerning public has developed in the past few years.

But for all that, certain matters have been hrushed under the carpet. In the high street or city centre you will see plenty of older buildings, scaffolded and screened, which, once the wraps are off, turn out to be no more than a single facade. The practice of "conserving"

buildings by retaining a skin and building behind is an insidious business. No longer Gillian Darley representing anything more than a mere "photograph" of the earlier building, this facad-ism makes a nonsense of the philosophical basis of conserving buildings.

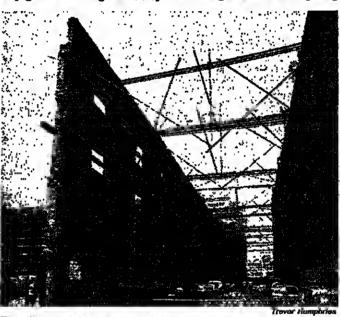
As a compromise it serves the planner who feels that conservation should be seen to be done and the modern architect who does not have the courage of his or her convictions. It is no accident that in confident architectural eras it worked the other way round; a fashion-able front was attached to the original building.
The other central concern is

the quality of workmanship on old buildings. The situation at any given time is governed by

the state of the building trade. The workload that the industry has been carrying out in pre-ceding years builds np (or destroys) old skills and exper-

One identifiable bonus of the conservation "boom" has been the emphasis on ekilled crafts manship, the re-establishment of cathedral masons' yards, the return to forgotten skills and learning to deal with long-re-dundant huilding materials (such as cob or chalk) in the interests of repair.

The general atmosphere of encouragement leads to young



Facadism: preserving the historic front and adding a new rear

people being attracted into the specialist building trade. The job satisfaction of putting an old building back together is undeniable — whether it is a Victorian stood or a mediant. barn. Talk to anyone on that kind of project and you are likely to find interest and pride in the job. Few modern con-struction sites can claim such

It is bound to be a long journey from the amnesia of the 1960s and 70s to the widespread establishment of skilled specialists in large building com-panies. Sometimes to the process of absorbing small, long established building businesses such companies may find themselves in the fortunate position of having such trades-men, but generally the picture has been very bleak. It is partly a question of generation, for many foremen or clerks of works are too young to remember the old turn-of-the-century skills, too old to benefit from

the winds of change One venture which aims to maximise this change is the William Morris Craft Fellowship, set up in 1986 to "broaden the skills and experience of key craftsmen involved in historic buildings repairs". Sopported by bodies such as the National Trust and English Heritage, the fellowships are adminis-tered by the Society for Protec-tion of Ancient Buildings, That group's concern about the quality and approach to the repair of historic buildings dates from its foundation in 1877, in reaction to the drastic over-restoration of Tewkesbury

Abbey.
The fellowships offer craftsmen and women the chance to have a period of further training, ranging across the gamut of traditional building skills. It also encourages them to travel, meet practitioners in compara-ble trades, as well as profes4. g. s.

sionals. Yet all too many architects and surveyors are lamentably ignorant when faced with old buildings, and, while the RICS has risen to the challenge where surveyors are con-cerned, the RIBA is slower off the mark - always juggling its notion of the image of architect as modernist with its responsi bilities to the real world. Architectural schools are no better; given the proportion of work-load dealing with conservation, it is extraordinary to find just a handful of schools address the subject at all.

The recent exhibition held at the Royal Academy, Conservation Today, was a disappointment. It carefully avoided a point of view, steered clear of questions of philosophy or technique, but merely showed a selection of major buildings converted to new uses over the past 10 years or so. It is a shame that a more opinionated, less complacent exhibition was not prepared for its

Good quality conservation is a struggle; everyone has to argue the case for the existing building with compromise as the last resort rather than the first. The premise has been established but the practice lags far behind.

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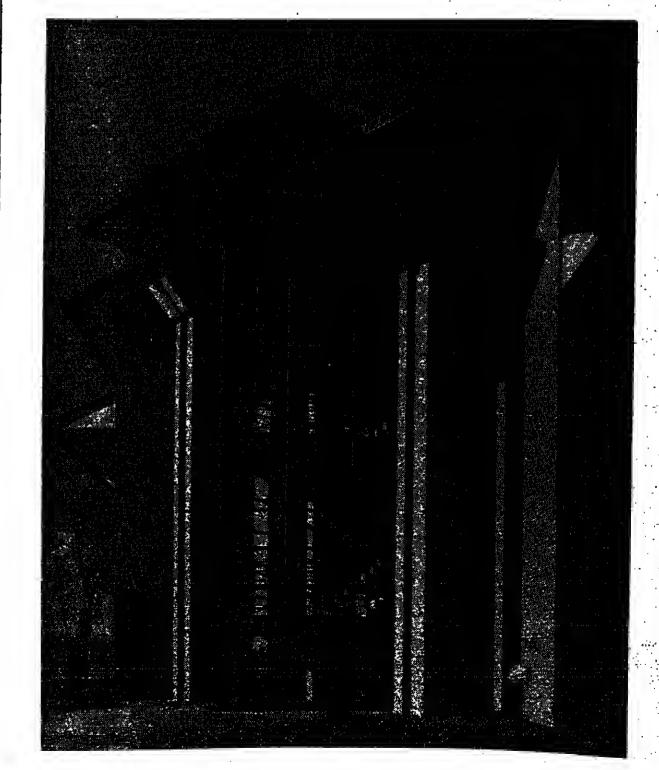


St George's, Hyde Park Corner

The listed 19th century hospital by William Wilkins is undergoing careful conversion into a luxury hotel while sensitive redevelopment of the adjoining sites will provide 145,000 square feet of new high quality office space.

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The same, only different, after mega-mergers

ACCOUNTANCY firms are notoriously coy when it comes to providing information about themselves. It is thus welcome and timely, in the light of the proposed mega-mergers— that the Centre for Interna-tional Einsensiel American tional Financial Analysis and tional Financial Analysis and Research (Cifar) at Princeton, New Jersey, has taken the trouble to scrutinise 18,600 annual reports from companies worldwide and the partnership directories of the world's 16

biggest firms.
The results of this four-year exercise are summarised in the exercise are summarised in the giant, two-volume International Auditing and Accounting Trends. The 1,332-page document contains a plethora of tables on every subject from audit fees to variations in accounting standards. It also provides data on the audit market, showing the share of the market held by the firms by geographical region and industrial sector — some details of which are to be found in the tables above. tables above.

These have been compiled on the assumption that the merg-ers between Price Waterhouse and Arthur Andersen and Deloitte Haskins & Sells and Touche Ross go through, and if they do, that no clients are lost in the resulting shake-out.
The figures above are different from conventional analysis

which tends to concentrate on fee income - they represent

the firms share measured as a

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BIG FIVE'S % SHARE OF WORLD AUDIT MARKET BY INDUSTRIAL SECTOR DRT 24.42 KPMQ 19.51 APW 25.65 DRT 17.93 E&Y 18.62 APW 93.41 APW 30.01 APW 14.43 KPMG 18.48 E&Y 18.24 DRT 15.09 APW 17.36 E&Y 17.26 CL 13.73 E&Y 17.45 ORT 18.17 KPMG 17.19 CL 10.86 E&Y 11.97 **KPMG 14.28** APW 15.6 CL 10.01 CL 12.68 CL 10.97 KPMG 9,11

APW 29.03 APW 25.90 APW 26.89 APW 56.23 KPMG 28.45 APW 38.84 APW 39.88 KPMG 21.25 E&Y 20.81 DRT 18.93 DRT 25.06 E&Y 18.52 E&Y 20.80 DRT 16.54 E&Y 23.34 CL, 30.03 DRT 14.83 E&Y 9.79 APW 12.38 CL 10.82 **KPMG 14.02 DRT 18.55** BIQ FIVE'S % SHARE OF EC AUDIT MARKET BY INDUSTRIAL SECTOR

EIQ FIVE'S % SHARE OF US AUDIT MARKET BY INDUSTRIAL SECTOR

Consumer goods Total Capital goods Static industries Financials Other KPMG 18.16 DRT 16.41 APW 14.96 E&Y 11.2 APW 23.99 KPMG 22.64 APW 27.73 DRT 11.53 EAY 21.26 KPMG 19.20 APW 15.26 APW 25.08 KPMG 18.9 DRT 14.34 APW 27.78 E& Y 23.81 DRT 12.39 CL 11.21 KPMG 17.82 CL: 12.45 ORT 15.31 CL 10.95 E&Y 13.77 CL 6.96 E&Y 10.27 KPMG 8.19 E&Y 13.85 CL 8.08 ORT 5.49 E&Y'9.34

percentage of the sales or assets of the client company.

The report was published just before the mega-mergers were announced. Professor Vined Banishi, the man in charge of the project, then observed that the audit market worldwide was really a number of sub-markets. He made the point that each of the Big

Right - as the firms then were

- had developed concentra-tions in one industry or another. But, he argued, the industry strengths of the leading firms did not extend across national boundaries - leaving plenty of scope for competition. Has that changed in the wake of the mega-mergers?
The answer would seem to be,
no: the Bigger Four - Price
Andersen, Deloitte Ross Toh-

matsu (as the Deloitte/Touche firm will be called), Ernst & Young and KPMG are bunched together with between 17 and 18 per cent of the world market spiece. CL is left with under 11 per cent. The only obvious industry domination across the world is in financial services where KPMG retains a nar-rowed leadership, with 19.51 per cent of the market. But,

although KPMG is still leader in this market in the US, it is in this market in the US, it is eclipsed by APW in Europe.

However, in both the US and the EC, the Andersen/PW combination is dominant in virtually every industrial sector.

KPMG proudly points to fee income of \$1.72bn in Europe last year — against \$1.53bn that would have been earned by APW — but according to Prof Vanishi's analysis, KPMG has only 18.9 per cent of the market against 25.08 per cent in the hands of APW. Moreover, APW has a commanding position across the capital goods, "basic" industries and utilities and transportation sec-

tors - and financial services.

In the EC, APW has 25.08 per cent of the market in total against KPMG's 18.9 per cent share. In the US, the Andersen combination is again dominant - with 25.9 per cent against the 21.25 per cent in the hands of the runner-up, which is KPMG as in Europe. By sector, APW comes out dramatically ahead in the "basic" industries, utilities and "other" categories. Anti-trust authorities in both

the US and the EC must be looking at numbers very like these at the moment. In aggrethese at the moment, in aggre-gate, it appears that the mega-mergers increase the oligopo-listic nature of the audit mar-ket, without giving any one player a significant overall lead. Sector by sector, country by country, APW looks formi-dably strong in a business dably strong in a business sense; whether this firm's market share is enough to concern the authorities as much as it will upset the competitors, is a different matter

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retail fields in the UK and Europe has the opportunity for a young qualified Accountant to join its Head Office, working directly with the Finance Director and other Board members. Current turnover is c£250 million and further rapid growth is planned, both organic and through acquisition, particularly in Europe. Responsibilities in this newly created role will embrace a broad-based and

balanced mixture of routine and project work. Routine responsibilities will involve the production of monthly management accounts and annual statutory accounts for the Head Office and Group. Ad-hoc responsibilities will include substantial acquisition involvement and developing close working relationships with subsidiary company managers. Some European travel will be required.

The ideal candidate will be a confident, qualified ACA (aged 25-29) from either a major accounting practice or currently in their first position outside of the profession. Working knowledge of a second European language, particularly Spanish, would be advantageous.

Please apply directly to Richard Carter at Robert Half, Freepost, Walter House, Bedford Street, 418 The Strand, London WC2R 0BR. Telephone: 01-836 3545, or evenings on 0344 885911. Alternatively, fax your details on 01-836 4942.

Financial Recruitment Specialists London · Birmingham · Windsor · Manchester · Bristol · Leeds

Chief Internal **Auditor**

c £40,000 + Car + substantial banking benefits

This client is a successful financial services arganisation comprising a number of businesses in a substantial lang term growth sector. It is the Board's intentian to increase market shore by maintaining organic growth and continuing a successful ocquisitian progromme.

In arder to strengthen control within the group, it is now intended to appoint a Chief Internal Auditor whose comprehensiva role will include development of audit strotegy, standards and

procedures. There is a particular emphosis on camputer oudit, with substantial computing changes in the offing.

In addition to being a quolified occountant and an experienced oudit professional, the successful applicant must combine personal authority with the tact to wark effectively during o sustoined period of mojor chonga. Age guideline 35-45. Location - City.

Please opply in confidence quating Ref L417 ta:

Brian H Mason Mason & Nurse Associates i Lancaster Place, Strand London WC2E 7EB Tel:01-2407805

Mason & Nurse Selection & Search

ACCOUNTANCY EXPERT BRUSSELS

A European federation of leasing company associations, which has its headquarters in Brussels, is urgently seeking someone with an expert knowledge of accountancy to undertake research work in the field of international accountancy practices.

Candidates should be qualified accountants with 3 to 5 years business experience, preferably with some auditing experience, fluent in English, with a good knowledge of German and French. They should be familiar with company law and used to working in an international environment.

Salary in Belgian Francs - negotiable,

Interested candidates should apply in writing, enclosing a comprehensive CV to: Mr. M. Baert, Secretary General

LEASEUROPE, avenue de Tervuren, 267 B - 1150 BRUSSELS

Interviews will commence as from 2tst August 1989

The growth in financial services will expand your professional potential

Newly/Recently Qualified ACAs CIMAs CACAs

£23,000 - £35,000 Plus Mortgage Subsidy

As the financial services marketplace becomes increasingly competitive, success will depend on an organisation's ability to understand and meet the needs of its customers. Today, Midland Group is recognising and reacting to this challenge, leading the market with a whole spectrum of products and

The continued growth in financial services has created a number of exciting opportunities in the areas outlined below:

Business Support

Midland Montagu is the internetional end investment banking arm of Midland Group. In order to maintain and improve consistency in reporting and control, a number of finance teams exist - each dedicated to providing specialist support and advice to the individual business units comprising the Sector. The roles within these teams provide challenging opportunities for individuals of high intellect, who have a significant degree of business awareness.

Group Operations

Group Operations is the internal service sector which provides operational processing, card services and information technology support to Midland Group. Due to the breadth of its activities, there are a number of exciting opportunities available within the finance function. These roles centre around financial planning and analysis, management reporting and product costing. The "green field" approach, adopted in all areas, offers individuals the opportunity to implement their own ideas In an environment which is both new and fast moving.



Financial Operations

The UK Banking Sector comprises the domestic ectivities of Midland Group. Within this aree there are e variety of opportunities in the finance function which offer an exceptionally broad overview of banking activities. Accounting and reporting systems are being developed using the latest state-of-the-art technology - an area in which Midland Group is constantly striving to break new ground.

For ambitious, commercially astute, accountants who wish to realise the limits of their potentiel - and receive the rewards to match - please contact Charles Austin or Simon Hewitt quoting ref: A335 et Mervyn Hughes International Limited. Management Recruitment Consultants, 63 Mansell Street, London E1 8AN. Telephone: 01-488 4114.

European Financial Controller

C£38,000 + Car

This multi-divisional, high-tech US Electronics Group requires an accountant with the international experience and monagement skills to organise, develop and manage their finance management resources across Europe as the divisions expand into an increasing number of European national markets.

The requirement is to provide, on a Pan-European scale, timely and occurate management reporting, financial analysis and financial planning into the field and to Corporate US Headquarters, the development of PC based systems and extension of worldwide accounting and reporting packages; timely compliance with SEC and local statutory requirements and management of the international tax

American corporate exposure and experience of applying creative, practical solutions to ongoing and developing issues in a multi-country situation are essential. The position will be based in the M4 corridor and will involve some international travel of short stay duration. Age guideline 30-40.

Please opply in confidence quoting reference L418 to:

Brian H. Mason Mason & Nurse Associates 1 Lancaster Place, Strand : London WC2E 7EB Tel: 01-240 7805

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Mason

Selection & Search

Appointments Advertising

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APPOINTMENTS WANTED

MBA MRA (Plannot) 1988 with substantial experience at sonior level in major international pic nocks specification opportunity in Malch or in a great experience accupant, London Souther Home Countries austicate and control of the Countries and Countries.

Write Box A1299, Financial Times, One Southwest Bridge, Landon SE1 941L

Management Accountant

Operational Management - Fast Moving Environment

Central London

This is an exciting opportunity with a leading British leisure company which has ambitious growth plans and a reputation for entrepreneurial management.

As a fully integrated member of the management team, the task is to financially plan and monitor overall business performance, and to participate in the development of the operation. This will involve regular visits to retail outlets and the centralised production and distribution facility.

A qualified Accountant with experience in a service sector, and probably of multi-site operations, you

will be comfortable with all aspects of regular and ad-hoc reporting. You will be involved in the further development of controls and systems, including EPOS.

to £30,000 + car & benefits

Applications, which will be treated in strict confidence, should contain relevant details of career and salary progression, age, education and qualifications. Please write to Alison Hawley, quoting reference 5285/FT on both envelope and letter.

Management Consultancy Division
RO.Box 198, Hillgate House, 26 Old Bailey, London EC4M7PL

Senior Management Roles in Finance

Top Public Relations Company c£30,000 + carLondon

Burson-Marsteller is the third largest PR company in the UK and is wholly owned by Young & Rubicam. Market growth and an organisational review have highlighted the need for two senior financial roles.

Assistant Controller Europe

To establish efficient and effective financial and management controls throughout Europe. Assisting fine management to meet their corporate objectives and U.S. reporting requirements. Responsible for three markets, some travel will be involved.

Accountant Treasury Analyst

An accounting and analysis role, dealing with Capex. budgetary control, intercompany accounting, cash management and consolidations. Some tax and legal matters add interest to the position.

Qualified accountants are preferred for these demanding roles, and all applicants must be pro-active achievers who are capable of self management. Reporting to the Controller/Business Manager Europe, the working arrangements are flexible and informal. The benefits are first rate, the prospects very bright.

Glaxo Nigeria Ltd

General Manager

(Finance)

If you feel confident of meeting the challenge please send a full CV, indicating your current salary and quoting ref. MCS/5137 to Barrie Whitaker at

Executive Selection Division Price Waterhouse **Management Consultants** No. 1 London Bridge London SE1.9QL

Price Waterhouse

the company's computer systems.

in the 38-45 age group.

modation.

Candidates will be African Nationals and with a minimum of 10 years' post-qualification experience, will probably be

The salary will be such as to attract the

high-calibre senior professional that the

role demands and a comprehensive range of

fringe benefits will be affered, including

a company car and furnished accom-

Please write with full personal and career details to: John Poulson, Personnel Manager,

International Assignments, Glaxo Holdings plc., Clarges House, 6-12 Clarges Street, London WTY 8DH.



COMMERCIAL DIRECTOR To £32,000+Car+Bonus

Buckinghamshire

Our client is the major operating division of a meet group firmetables; prepare the division's £130m turnover international precision engineering plc. In recognition of the need for a strong commercial and financial function to control and direct the division's activities, the company wishes to appoint a Commercial

Reporting to the Chief Executive of this complex, competitive business unit your input into product costing and profitability, pricing. a full relocation package, where appropriate. arranging export finance, credit and insurance cover will be crucial to the achievement and security of orders booked. . .

In your financial capacity you will ensure

statutory and management accounts and monitor performance against budget.

This is a challenging opportunity for a manufacturing orientated qualified accountant who wishes to be involved in the commercial decision-making of a major plc.

In addition to the highly competitive salary, there is a comprehensive range of benefits including

In complete confidence please write or telephone: ACCOUNTANCY PERSONNEL, Ashton Hse,

469 Silbury Blvd, Milton Keynes MK9 2AH. adequate controls and systems are in place to Telephone: 0908 661707. Fax: 0908 676729.

Accountancy Personnel

Placing Accountants First Hays

Broad Exposure — Commercial Responsibility

CONTROLLER

West London Age 27-30

An excellent career opportunity, resulting from the significant proportion of the present incumbent, has arisen for a young Accountant booking for Controllership with a strong commercial

Reporting to the Finance Director, with three direct reports, the Controller will lead a department of 14 staff. The immediate responsibilities of the three reports will include full financial and management accounting and analysis for the worldwide Expert Business, control of Divinional Head Office costs including Central Marketing and the analysis of Engagement Trading Activity including new Business Development. The Controller will overse sit these areas, but will concentrate on the development of a key business area. This will necessitate establishing good working relationships with the relevant Managing Directors.

c \$30,000 pa+Car & Profit Share

The successful candidate will have a strong commercial background. The major qualifications for the role are, however, the personal qualifications of maturity, credibility and the flexibility to adopt a 'shirt-deeves' approach or take an overview as required. Good interpersonal skills are likewise essential, as is a desire to travel up to 10 per cent. Previous international experience is, however, not crucial.

The client, a well-respected international brand leader in fineg, is based in West London. The Finance Department is a young, highly motivated team, with a good track record of promotion both within the Company good track record of p and the wider Group.

individuals interested in discussing this challenging position should telephone Exrea Wilson EA, ACHA on 01-491 5431 or write to her at FMS, 14 Cork Street, London WIX 1PF enclosing a recent CV and a note of current salary.

FMSSearch and Selection Specialists

Financial Management

BINDER

HAMLYN



JIAXO Holdings p.l.c. Clarges House, 6-12 Clarges Street, London W1Y 8DH.

of ambitious candidates.

An appropriately qualified professional

accountant is sought to become Head of Finance of Glaxo Nigeria Ltd. This Lagos

based, N multi-million quoted company is a household name in the Nigerian pharma-ceutical industry and part of the inter-national Glaxo Group. The position will

appeal strongly to those who have held top-level financial management positions

in similar companies and there are career prospects to match the highest aspirations

The person appointed must be prepared to go into detail and take the lead in raising the standard of accounting throughout the

company. This will require a thorough under-standing of data processing procedures and an enthusiastic commitment to improving

Finance Director Designate

ESSEX, C. \pm 30,000 + CAR + PARTICIPATION OPPORTUNITY

For a long-established distributor of packaging paper and polythene which is a leader in its field and has experienced consistent growth in recent years. With a staff of 70 and a turnover of \$12m, it purchases malerials worldwide and sells to over 700 customers throughout the UK. If now. seeks a commercially oriented financial manager to lead the tinance fearn and to provide the company secretarial function.

Recording to the Board and a key member of the management feam, you will have total responsibility for the finance function and company secretorics. Early priodiles will include to strengthen financial and management occounting, improve management

information and support the on-going development and implementation of computer systems. You will be expected to play a full part in the financial planning and management of the business and handle the liaison with the company's bankers and other

A qualified accountant with at least five years' commercial experience. preferably in industry, you will have experience of managing staff and of systems implementation. You should be comfortable in a hands-on sole in a small organisation where there is no technical guidance from above and the style is informal.

Resourcing & Lybrand

For the right person, a Board appointment is enviraged as soon as

Executive

proved and the opportunity exists to

Résumés pieces, including a daytime

erence R4579, Coopers & Lybrand Executive Resourcing Limited, Shelley House, 3 Noble Street, London EC2V

telephone number to Robin Alcock,

occurre shares in the Company.





g £100m service group

Director

c.£40,000 + performance bonus

This highly successful group employs 14,000 people in contracted service businesses. Communications, Security, Cleaning and Maintenance, and Personnel. The stable service management team plans continuing acquisition-led growth

plus organic expansion (30% p.a.).

As UK Finance Director you will have an autonomous role to support the Group
Managing Director to analyse and act on reported results from the four divisions.

Your key responsibilities will include setting and implementing reporting policies. rounkey responsibilities will include setting and implementing reporting posicles, incorporating acquisitions, and reviewing computer and other systems needs. The position calls for an ACA, probably 30-38, with proven experience managing finance; and accounts preferably for a group head office. A service industry background and a strategic approach are essential, in a sales and growth led culture you will be tough-minded enough to put into place structures to support the husinesses.

The excellent renumeration package includes a performance related bonus, car and pension. You will be entrepreneurial, and ambitious to take up a general managerial or, possibly, overseas financial role after proving your contribution. Please reply in confidence, giving full career and salary details and a daytime telephone number and quoting reference 1592 **BDO** to Barbara Robertson, or call her on 01-583 3303. . .

> **BDO Binder Hamlyn Management Consultants** 8 St. Bride Street, London EC4A 4DA

Group Taxation Manager

Berkshire

c£45,000 + Exec Car + Share Options

Our client is a diverse international manufacturing company with significant operations in the UK and overseas. Recent group reorganisations, the injection of new personnel and a number of strategic acquisitions and disposals has created a group which is focused on the future and quick to adapt to change.

Reporting to the Finance Director and forming part of a small head office finance function, they are now seeking to recruit an experienced Group Taxation Manager.
Together with a Taxation Assistant, the Group Tax Manager will co-ordinate the tax compliance for the group but the thrust of the work will be in the following

* Providing a complete tax advisory service to all levels of

senior management.

* Ensuring that the tax implications of business decisions are taken into consideration.

Providing advice on group acquisitions and disposals worldwide.

Suitable candidates must be able to demonstrate an indepds knowledge and experience of the tax affairs of a diversified international company, coupled with the cessary commitment and enthusiasm to proactively contribute to future organic growth.

A first class remuneration package is offered to candidates who meet these exacting criteria.

If you feel you have the technical strength and practical flair to make a success of this important role, please contact in the first instance Graham King on 01-831 2000 or evenings/weekends on 01-785 6545 (24 hour answerphone) or write to him at

Michael Page Taxation, 39-41 Parker Street, London WC2B 5LH.

Michael Page Taxation

International Recruitment Consultants London Bristol Windsor St Albans Leatherhead Birmingham Nottin Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

> Appointments advertising appears every Monday, Wednesday and Thursday

"Leadership is our goal... ... Innovation is our strategy."

Marketing Accountant

W. London

eeding \$600m.

Our client, a US owned company, is a leading force in the highly competitive hair care product market, with distribution networks in over 100 countries worldwide. With a strong commitment to product development and an aggressive marketing strategy, it has experienced unprecedented growth with record sales this fiscal year

Since its kunch within the UK in June, 1988 the Company has already achieved a substantial share of the UK hair care product market, with a projected turnover this year approaching \$10m.

To sustain this level of growth, our client is now

looking to recruit this key position of Marketing Accountant. Reporting to the Commercial Director, areas of responsibility will include

London Bristol Windsor St Albans Leatherhead Birming Manchester Leeds Newcastle-upon-Tyne Glasgow & Worldwide

£25K + Bonus + FX Car

* Brand cash flow and balance sheet reporting and

* Product profitability, new product appraisal, advertising and promotional expenditure analys

* Internal management and external US reporting. The successful candidate will be a qualified account 25-30 years with a strong commerical/marketing background. Excellent interpersonal skills together with an innovative, proactive approach are essential qualities to . succeed within this high-growth, marketing led company. Interested applicants should send their CV to

Teresa Stimpson, Michael Page Finance, Windsor Bridge House, 1 Brocas Street, Eton, Berkshire SL4 6BW. Tel: (0753) 856151.

Michael Page Finance

International Recruitment Consultants

MANAGING DIRECTOR GIBRALTAR

WE ARE a mejor financial group with e network of trust/compeny menagement offices in various offshore centres.

WE NEED e Managing Director to take overall control of our Gibraltar operation.

IF YOU ARE aged 28 or over, with drive and ambition, presently employed in a senior position relating to trust/compeny management operations and have considerable experience of all aspects of offshore trust/company menagement preferably including a relevent professional qualification.

IF YOU WANT the challenge of menaging e trust company with en established and developing client base and anticipating e considerable corporete expansion over the next few days. Your duties will involve the menagement of our existing business including supervision of our office in Gibrelter which benefits from edvenced computerised eccounting and administration systems together with the continued merketing of our services in the iberian peninsula.

WE OFFER en extremely ettractive remuneration peckage which will take the form of a three year contract and will include:

COMPETITIVE SALARY, WITH TERMINAL PAYMENT GEARED TO BUSINESS GROWTH FREE HOUSING

NON CONTRIBUTORY PENSION, PERMANENT HEALTH SCHEME FLIGHTS TO THE U.K. **COMPANY CAR**

INTERESTED?

Please reply to Box A1296, Finencial Times. One Southwark Bridge, London SE1 9HL

Tomorrow's World -

Financial Opportunities in Advanced Technology M3/M4 location

A subsidiary of a major international group, our client operates at the leading edga of advanced computer technology on both military and civil applications. Turnover is in excess of £300m.

They are seeking high calibre Qualified Accountants for two key positions.

Head of Operational Audit

c £30,000 + car

This is a new appointment. Reporting to the Finance Director your brief will be to set up a small team primarily to identify profit improvement opportunities and assisting on acquisitions and disposals. You will also be involved in counselling divisions on financial and operational matters and will institute policies and guidelines to ensure optimum financial and operational efficiency.

Applicants will be chartered accountants aged 30 + with several years audit and investigations experience. It calls for a high level of initiative, innovation and analytical ability, together with a shrewd business brain (Ref F2033).

Divisional Management Accountant

to £27,000 + car

This is a lynchpin role critical to the success of the business. Supported by a team of project accountants your prime responsibility will be the costing and monitoring of a diversity of contracts to maximise profitability. It will involve lisising closely with operational management and advising on financial implications. You will also be heavily involved in the preparation of bids and devalopment of new products and new markets.

This is a first-class opportunity for a profit orientated ACMA aged 30-35, to play a key role in tomorrow's technology today. We will be looking for indepth projects control experience, coupled with strong management ability and a keen commercial mind (Ref F2034).

The attractive remuneration package includes a car, pension, life assurance, medical insurance and other benefits and there are excellent prospects within the group for those who can demonstrate high promotion potential.

Please send your curriculum vitae, including current salary and daytime telephone number, quoting the appropriate reference numbe W.S. Gilliland, Grant Thornton Management Consultants, Grant Thornton House, Melton Street, Euston Square, London NW1 2EP.

MANAGEMENT CONSULTANTS

The UK member firm of Grant Thornton International

FINANCIAL CONTROLLER

£60,000 + BANK BENEFITS CITY

Chartered accountant, aged 32-40, is sought by a first class international merchant bank to control and develop their finance function in response to business needs and expanding global operations. Ref: 125662/hkm

MANAGEMENT CONSULTANT

CITY

Qualified accountants (ACA/ACMA) with excallant analytical and inter-personal skills are offered the opportunity to join a rapidly expanding management consultancy department. Ideal candidates will have 5 years PQE in industry. Ref. 106211/sml

to £40,000 + CAR

to £27,000 + CAR International broking group seeks a self-motivated qualified accountant to take charge of the production of management information and to improve divisional prolitability. This position reports to the MO and includes Board membership.

To be considered for these or other similar opportunities please write to or telephone

MANAGEMENT PERSONNEL 25 CITY ROAD, LONDON ECIY IAA TEL: 01 256 5041 (24 HRS) FAX: 01 374 8848

CORPORATE

ACCOUNTANT

International consumer goods producer seeks ACA from

Big Eight firm, ideally aged 25 to 30. You will be involved in

UK and US corporate reporting, ad hoc projects including

DIVISIONAL

ACCOUNTANT

acquisition appraisal and pension fund management.

c£30,000 + BENEFITS



WEST END

Ref: 124143/sma

CITY

Financial Controller

c£35,000 + car + benefits London

This successful medium-sized high value commodity company has a long established market presence and is now poised for further expansion. Buying and selling in worldwide markets, global operations are co-ordinated and monitored from the London head office.

Reporting to the Chairman and Managing Director, and providing financial expertise to the management team, the position carries responsibility for management and statutory reporting and the

development and maintenance of systems to maximise financial control in the company, including its overseas operations. The role will involve some, but not excessive, travel.

Candidates should be qualified accountants with at least five years' financial management experience including stock and cash flow control in a medium-sized to small company using computerised systems. Previous international exposure is desirable, though not essential. In particular we are seeking a

"hands-on", versatile and flexible approach, a strong communicator, and a personal style that will harmonise well within a small head office environment.

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Please write in confidence enclosing a full CV and salary details, quoting reference MCS/3022 to Janet Stockton **Executive Selection Division** Price Waterhouse Management Consultants

No. 1 London Bridge

London SE1 9QL

Price Waterhouse



Finance Manager

Expanding high-tech market leader SW London

Our clism is the UK subsidiary of a world leader in high technology specialist equipment. The market for their products is expanding rapidly in this country and the organisation has established a strong market shara based on the quality and flexibility of its equipment. The company has grown at the rate of 40% a year for the last two years and it is expected to maintain this level of expension. It is profitable and has about 50 staff.

In order to manage its continued development effectively, the company wishes to recruit a Finance Manager to take full responsibility for financial matters. Reporting to the Managing Director, the role will involve all aspects of financial planning and control, budgeting, systems development, cash and foreign exchange management. The scope of the role will develop as the company grows.

to £30,000 + Car You should be a qualified accountant, with commercial experience of financial control, prefarably galned in a company with international clients or connections. You must be computer

literate and have an interest in systems As part of a committed management team you will need a pro-active approach and excellent interpersonal skills. Previous staff management experience would be an advantage but is not

Success in this role could open up the prospect of a directorship.

Please write, enclosing full career details, to Jane Woodward at the address below, quoting reference SHA 1355.



MANAGEMENT CONSULTANTS, EXECUTIVE SELECTION OLVISION, 8 BAKER STREET, LONDON W1M 1DA

A Sense of Financial Direction



When it comes to career objectives, the average Accountant has the role of FD in mind.

But you're above-average. Rather more broad-minded. And ready to talk to Deloitte Haskins & Sells.

As a Financial Management Consultant you'll find all the breadth of involvement you can handle, great career prospects, as well as expert training and support. Plus a real sense of achievement in developing client relationships.

You'll deal with a range of financial issues, talding on special projects for the senior management of diverse blue-chip organisations. Often working with experts in other disciplines.

You won't just initiate new ideas, you'll go on to

implement them.

Aged 25-35 and a fully qualified Accountant, you must have experience of successfully managing change in a largecompany environment.

in return you'll receive unrivalled technical and interpersonal skills training and the prospect of excellent career progression. Plus the highly competitive salary and benefits package you'd expect from one of the world's leading firms of management consultants.

So to take your career in a more rewarding direction, please write with full personal and career details (included) a daytime telephone number) to Stephen Mitchell, quoting ref. 3157/FT on both envelope and letter. Please also state your preferred location.

Management Consultancy Division P.O. Box 198, Hillgate House, 26Old Bailey, London EC4M 7PL

Hong Kong

Our client is a major, Far East based, multi-national group.

The new Finance Director must be a mature, qualified Accountant, who has worked in a senior financial and management position, and has skills in corporate finance with previous working experience in the Far East.

Our clients are offering a three year contract, with an excellent salary, housing and expatriate benefits.

Please reply in writing, enclosing full cv, Reference H9914. 54 Jermyn Street, London SWIY 6LX.



LONDON • 01-493 3383 BIRMINGHAM • 021-233 4656 SLOUGH • (0753) 694844 HONG KONG • (HK) 5 217133



Finance Manager

C. £25,000 + Car + benefits

Few retailers offer as much scope for growth as

Toys "R" Us. We're Britain's fastest growing retailer, opening 23 superstores in under 4 years, with another 5 planned to open this Autumn.

A professionally qualified accountant you will have a wide range of responsibilities including monthly and annual reports, budgeting and forecasting - you will also need to manage and motivate a team of seven committed individuals.

We operate in a highly computerised environment, using leading edge products, and therefore an important part of your brief will be the development and enhancement of our financial computer systems.

To succeed, you should have two years' post qualification experience ideally in a retail environment, plus proven supervisory skills.

The finance department works closely with the operating business and so excellent communication skills and a sharp commercial approach are crucial to the success of the team.

A highly competitive salary is available plus a wide range of benefits including a 2 litre car, share options, pension scheme and private medical insurance. Career prospects in such a fast moving environment are naturally excellent.

Please send your current ov to the Director of Finance and Administration.

Toys "R" Us Limited, Rose Kiln Lane, Reading RG2 0]W.

FINANCE **MANAGER**

A crucial role within the first division fmcg market

Board potential

to £45k

BONUS • CAR • BENEFITS

CLIENT PROFILE:

A premier £multi-million force in blue-chip fast moving consumer goods. Already leading their market sector, they are poised for significant further expansion within the UK.

CANDIDATE PROFILE:

Must be ACA or ACMA qualified, probably aged between 35 and 42, and of Graduate calibre. With a record of achievement in a dynamic and commercial fracg environment, you must have a sharp intellect combined with a tough-minded manner and a resilient and assertive character.

Able to win to co-operation of colleagues and to take a firm stand when required, you will need to be both persuasive and highly articulate. The successful applicant most likely already holds a senior financial management position and is openly ambitious to progress that much further with a company where excellence is the

POSITION PROFILE:

Reporting directly to the Financial Director, you will be in charge of the team responsible for the management and control of a key division of the business. You will undertake the management of important strategic projects, provide tactical and strategic decision support. while continuously reviewing and enhancing their sophisticated financial systems

This is a most critical appointment within our Client's succession plan and should lead to a Board appointment within a reasonable fime-span.

REMUNERATION:

The package reflects the importance of this sition and the calibre of person required. Salary is up to £45,000 pa plus a substannal bonus, 2-lifte executive car and benefits including free medical insurance and generous assistance with relocation to Southern England if necessary.

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ACTION:

Telephone James Willis weekdays until 6.30pm on 01–136 9307. Alternatively, send your CV to hun at Integrated Selection, Tennyson House, 159-165 Great Portland Street. London WIN 5FD.

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SURREY

c£45,000 + car.

Financial Controller

Major service company offers a highprofile role within a large Accounts Department. Unlimited job satisfaction is guaranteed and the excellent benefits include a prestigious car. Ref 67280

For further details contact: The Manager, Reed Accountancy, 21 George Street, Richmond 01-940 4483 Fax 01-940 1627

Controller

Top City Trader seeks a progressive Accountant who can deal with trading and settlement accounting on a grand scale. You will also be required to lead a demanding team. Ref 9815-i

For further details contact: The Manager, Reed Accountancy, 47 Brompton Road, Knightsbridge 01-584 6677 Fax 01-823 9430

Phone or send your CV to the appropriate manager, or request and application form. Out of office hours, call 01-770 7780 or 0483 740401 Reed actively promotes Equal Opportunities.

PLANNING AND ANALYSIS MANAGER



Cellnet is one of the most dynamic and innovative companies in Europe with a compound growth rate of 100% per annum. It operates one of the world's most sophisticated mobile communications networks and through further technological advances, it is developing enhanced and added value services. Already a market leader in the UK in the high growth mobile communications sector, it is strategically poised to be a key player in the burgeoning European market.

The new position of Planning and Analysis Manager resides in Sales and Marketing to provide a fully integrated financial service to the department. Supported by a central general accounting system, the person appointed will be totally involved in the business management processes, specifically

London To £35,000 + bonus + car

through performance measurement and by contributing the financial implications of strategic and tactical decisions.

The successful candidate will be a commercially orientated qualified accountant probably in his or her early thirties. You should be familiar with the demands of a large, market driven business. To command the respect of your marketing colleagues you will need to be a fast thinking, effective communicator with commercial judgement.

Please reply in confidence, giving concise career, personal and salary details to Alan Goodenough, quoting reference L440.

London SW1A 1LD (01-629 8070)

EGOR

United Kingdom · Belgium · Denmark · France · Germany · Italy · Netherlands · Portugal · Spain

Hands on Role in Manufacturing Management

FINANCIAL DIRECTOR

c.\$35K + Car

Suffolk

Part of a \$208M turnover publicly quoted British group of diverse industrial companies, our client is a highly profitable autonomous subsidiary currently turning over c.\$50M. Their head office and manufacturing installation, based on the Suffolk/Essex borders, supplies high quality office furniture systems directly to the end user via large distribution points throughout the UK

Reporting to the Managing Director, the Financial Director will play a crucial development role within the company, becoming involved in all aspects of operational and commercial management, whilst assuming direct responsibility for the organisation's financial affairs.

Ideally aged late 30s/early 40s and professionally qualified (ACA, CACA or CIMA), a strong man-manager is sought with a background of experience in a multi-site manufacturing and distributive environment. A good knowledge of the development of operational and management information systems is essential.

This position offers an attractive salary package which includes a profit related bonus scheme and a fully expensed company car.



Please write enclosing CV, quoting reference: A332, to Jenny Tucker at Mervyn Hughes International Limited, Management Recruitment Consultants, 63 Mansell Street, London E1 8AN. Telephone: 01-488 4114

Financial Controller

Major British Group

M4 Corridor

to £32,500 package + car

Our client, a highly successful British Plc, is now seeking a high calibre Financial Controller for one of their major growth orientated subsidiaries engaged in aviation transport and distribution. Reporting directly to the Managing Director, the Financial Controller will lead a small head office team responsible for

the accounting and financial control functions of the company. Key tasks will include the timely production of the financial and management information, budgeting, systems development and acquisition appraisal. You must be a qualified Chartered Accountant, ideally with a degree, probably aged between 28 and 32 with a strong commercial awareness. Good computer skills and an ability to take a "hands-on" approach are further requirements for this position. In addition you must be highly motivated with strong leadership and intellectual

qualities and be able to demonstrate first-class technical and interpersonal skills. This key eppointment offers the opportunity to join an organisation, involved in an industry exhibiting prime growth potential, at a strategic stage in its development. Career progression prospects and related rewards are also

Please reply in confidence, sending a full CV to Adamson & Partners Ltd. 10 Lisbon Square, Leeds LS1 41N quoting

reference oumber 670, or telephone Stuart Adamson FCA on 0532 451212.

ADAMSON & PARTNERS LTD

Executive Search and Selection

Long term prospects in leading retail group inancial Accountant (Operations) £30000-£33000 + bonus Central London with state-of-the-ert software. You will be based at Head Office in W1. As part of a small senior management

This highly successful retail group, a household name, owns and operates over 100 stores throughout the UK. Major systems are now being enhanced

team you will have a creative challenge: timely production of financial accounts while developing accounting policies, systems and staff (over 30 people) to meet future needs. Key areas include Property (a substantial portfolio); Accounts Payable; Fixed Assets and Banking plus input to highly confidential reports, budgets end controls.

You will be a graduate accountant (ACA, ACCA, ACMA), age 28-33, technically inquisitive end a team player with strong managerial skills. You will be experienced with computerised accounting systems in an audit, retail or property background. You seek a long term career in a highly profitable yet caring company which develops its own Managers.
In addition to en attractive basic salary, the Company provides a generous

range of benefits. Please write, in confidence, giving full career and salery details, quoting reference 1591, to Barbare Robertson, or call her on 01-583 3303.

BDO Binder Hamlyn Management Consultants 8 St. Bride Street, London EC4A 4DA

BINDER

Outstanding European Opportunities in

Financial Planning and Analysis

Frankfurt

UK Equivalent c. £28,000

With the commercial emphasis shifting to the wider European market, the age of the International Finance Manager has arrived.

Our client is a major US Corporation with substantial operations in several European centres. They are enormously successful, highly profitable and committed to strengthening their position as market leaders.

More than ever before, the provision of high quality financial control is seen by our client as integral to their future plans.

We therefore invite applications from ambitious Chartered Accountants, probably aged 25-28 seeking to develop their careers within the International

The successful applicants will assume responsibility for a wide range of assignments specifically geared to improving profitability and achieving operating objectives.

These will include:

* Significant involvement in the planning and budgeting process

* The review and analysis of financial data from several European companies

* The development and implementation of improved cost accounting procedures for the German manufacturing operations

* The management review of operating company performances measured against revenue and profitability targets.

These positions offer top level management exposure coupled with tremendous career prospects within an International Group. Therefore applicants should be able to demonstrate not only sound technical ability, but also a desire to be really involved in commercial decision making which will affect our client's long term growth prospects both in Germany and elsewhere.

A working knowledge of German would obviously be advantageous, but extensive language tuition may be made available if deemed appropriate.

Initial contact may be established by writing, enclosing a curriculum vitae to Terry Benson, Michael Page International, 39-41 Parker Street, London WC2B 5LH.

Alternatively telephone him on 01-831 0431.



Michael Page International

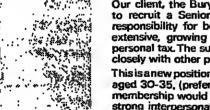
Financial Recruitment Specialists

London Amsterdam Eindhoven Brussels Antwerp Paris Lyon Sydney Melbourne

Senior Tax Manager (Tax Partner Designate)

c£27500+car

Suffolk



Our client, the Bury St Edmunds partnership of BDO Binder Hamlyn wishes to recruit a Senior Tex Manager, (Tax Partner Designate). The task carries responsibility for both corporate and personal tax metters on behalf of an extensive, growing and varied client base. The main emphasis will be on personal tax. The successful candidate will report to the tax partners and work closely with other partners and colleagues.

This is a new position and provides an ideal opportunity for a quelified accountant, aged 30-35, (preferably ACA) with at least five years relevant experience. ATII membership would be an adventage. Candidates must be able to demonstrate strong interpersonal skills as the position will involve significant contact with clients, partners, colleagues and other third parties. Candidates must be computer literate it is envisaged that the successful applicant will be admitted to the Partnership within two years.

in addition to a competitive salary and car, benefits include life assurance, permanent health insurance and eccess to a contributory pension scheme.

BINDER HAMLYN Please send full CV, including details of current salary end a day-time telephone number, quoting Ref No L1889 to Charles Knell.

BDO Binder Hamlyn Management Consultants, 21 Queen Street, Leeds LSI 2TW.

Chief Accountant

West End

c.£30,000+ company car and other benefits

This is a challenging appointment in a retail based division of a multi-million pound Group which operates throughout the

The task is to control and further develop the central accounting functions of the division, reporting directly to the Financial Controller and supervising over 40 staff. The financial and management information produced will permit tight control of over 50 trading branches. The Chief Accountant will work with the Controller in financial accounting and reporting. Cash flow management will be particularly

The need is for a qualified Accountant who has at least two years experience in a management role. Familiarity with PC and mainframe systems is essential; you must be comfortable working to tight deadlines in a dynamic environment.

Good benefits include a car, and if necessary, relocation

Please reply to Paula Hanratty in strict confidence with details of age, career and salary progression, education and qualifications, quoting reference 5299/FT on both envelope

Management Consultancy Division

FINANCIAL MANAGER

and letter.

c.£30,000 + executive bonus + car Location: London

If you're highly capable, ambitious and commercially aware, you'll be amongst like-minded people at National Telecom. In just five years we've become a £multi-million plc with a large, enthusiastic UK client base and a thriving export ousiness to over 40 countries.

Now, to fuel still further our ambitious expansion plans, we're seeking an accomplished manager to head up the Financa Department of 10 people within National Telephone Systems Ltd. - the design, manufacturing, marketing and sales division of this rapidly growing, international business. One that's fast establishing itself as the leading alternative supplier of quality telecomms

In addition to the day-to-day running of the department, you will be expected to add strength to the senior management team and be responsible for implementing improved management control and reporting systems.

Ideally a graduate and preferably FCA or FCMA-qualified, you should have experi-

ence gained in a manufacturing/engineering environment and good communication skills. However, the ability to produce cost information and product/market profitability statements are the key requirements. Advanced computer literacy is similarly essential, as you will also play a significant role within the group responsible for new systems installations.

For the right candidate - a heavyweight professional, probably aged 30-40 with tha potential to progress to director level - wa offar a highly attractive salary package with benefits which include a car, BUPA cover, 23 days' leave and senior management bonus of up to 30%. Relocation will be provided if appropriate.

in the first instance, please write enclosing full CV - to Luise Oppenberg, Personnel Manager, National Telephone Systems Limited, Great Eastern Enterprise, 3 Millharbour, London E14 9XP. Telephone: 01-538 2211.

National Telecom

Assistant Treasurer

C. London

A unique opportunity has arisen for a highly talented Treasury professional to join the Corporate Treasury team of one of the UK's most exciting, diverse and innovative international financial services groups The Central Treasury function has an extremely high

profile within the Group and the Assistant Treasurer will be involved across the whole range of treasury activities. The Group is constantly seeking innovative solutions to complex financing and cash management issues, consequently there is a significant project orientation to this role. In addition, there will be close involvement with the treasuries of each operating division, overseeing their funding requirements and ensuring efficient policies and procedures are in operation.

Aged 28-35 you will be a qualified accountant of high intellect and numeracy together with a background of several years' treasury experience ideally gained within

MANAGEMENT SELECTION

Substantial package

an international organisation. Strong interpersonal and technical skills are essential in order to quickly establish authority and credibility throughout the Group.

The highly competitive salary package is negotiable depending on experience and qualifications. Performance will be rewarded.

Interested applicants should write enclosing a comprehensive CV with daytime telephone number quoting Ref: 349 to Barry Ollier, Whitehead Rice, 43 Welbeck Street, London W1M 7PG. Tel. 01-637 8736.

Whitehead Rice

MANAGEMENT ACCOUNTANT

c. £35000 + car + benefits + career prospects

This is an unusual and exciting opportunity to influence business strategy and financial policy in a progressive and internationally renowned company in the drinks industry.

Based in London SW1 our client is a private family-owned company with a turnover of £46 million, and as part of its continuing expansion plans it has decided to appoint a Management Accountant to strengthen the management team. Reporting to the Finance Director, the person appointed will be expected to provide financial information for Board decisions, to analyse the economic and financial implications of company policies, and to assist with the management of funds.

Candidates, ideally 28-35, should possess 3-4 years' relevant experience in a strong management accounting environment where they will have contributed to the development and use of computer-based financial and management information systems. A professional qualification (FCA, FCMA or equivalent), the capacity to assume increased responsibility, good inter personal skills and an entrepreneurial approach are mandatory.

All applications will be treated in complete confidence and should be addressed to Richard Stokes at: Gorham & Partners Ltd., 190 Strand. London WC2R 1JN

> Gorham & Partners Ltd.

MANNESMANN

ann Demag Limited, located in Banbury, is a member of the Mannesmann Group. We are the UK's leading manufacturer of material handling equipment ranging from lifting equipment to complete warehousing systems. We also act as a Holding Company for a number of other Mannesmann companies operating in this country.

Due to expansion in business we are looking for an

ASSISTANT TO THE **CHIEF ACCOUNTANT**

The successful candidate will deal with routine activities of the Department and will in particular be responsible for Insurance and Legal matters as well as Commercial Project Management.

The ideal candidate is a qualified accountant between the ages of 25-35 with some experience in computerised accounting, commercial legislation and insurances. An understanding and sound working knowledge of the German language is required.

We would, however, consider applications from recently qualified accountants if they are prepared to undergo the necessary training to fulfil the job specification, although we cannot relax the German language

We offer a generous salary and all other benefits you expect from a well established company. For candidates with personality and enthusiasm this could prove to be the start of a commercial career in a Multinational

Interested? Then write enclosing a current CV to our Consultants, CARTER KNIGHT, Martins Bank Chambers, High Street, Banbury, Oxon. OX16 8EG. Telephone: (0295) 272007.

Management Consultants

Financial Analyst

Kent

c£24,000 + Car and Bonus

Recognised as a market leader in the building and allied products sector, our client is well-established in the UK and overseas. The Group is pursuing a policy of expansion, particularly by acquisition in overseas markets.

Based at Group headquarters and reporting to the Group Financial Controller, you will assist him in carrying out his responsibilities.

You will play a key role in establishing, monitoring and reviewing the budgetary and financial criteria to ensure optimum performance in the Group's subsidiaries.

Recently qualified ACA, aged about 24, you will be seeking to build your initial career experience outside the audit function. Experience of computerised management information systems and financial spreadsheets is essential.

Career advancement, possibly via a manufacturing subsidiary role, can be expected within two years.

An excellent remuneration and benefits package is offered to include a performance related bonus scheme. Please write, in strict confidence, enclosing all information relevant to your application



including salary details, to Colin J. Hooker FCA, quoting ref. 464
DBA Associates Limited, Clerk's Well House,
19 Britton Street, London EC1M 5NQ. Tel: (01) 250 0003.

Investment Controllers

for a critical £100 million programme

Guildford

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£40.000 + benefits

Our client has assets of £5 billion and is now entering a period of exciting and challenging commercial development. Critical to the company's business success, the investment programme exceeds £500 million and 100 projects with £200 million plus of new projects annually. Two Investment Controllers are required to ensure the sound financial and commercial control of this programme.

Working with Senior Management and directing a small team, you will provide rigorous commercial and intercing a smart warm, you will provide rigorous commercial and financial advice to one of two General Managers, Construction Project Group. You will critically review budgets and forecasts together with project progress, and agree corrective action where necessary. Contributing to project development, you will also access the freezeight implications of make tendent posts. assess the financial implications of major investment

Probably in your thirties, you will be a qualified accountant with sound analytical skills. You will have experience of appraising large projects, probably acquired in a capital-intensive business such as heavy engineering. A self-motivated, confident approach and good interpersonal skills are essential, as is considerable commercial approach.

Please reply to Christopher Evans in strict confidence with details of career and salary progression, education, qualifications and age, quoting reference 5293/FT on both envelope and letter.

Deloitte

Management Consultancy Division PO.Box 198, Hilligate House, 28 Old Bailey, London EC4M7PL

FINANCIAL ANALYST A PAN-EUROPEAN CHALLENGE

Negotiable salary+car

Based in **Hampshire** Amdahl is an innovative international company at the forefront of mainframe computer systems development. We have earned a reputation for excellence and continually strive to reach new heights in the quality and capability of our products and services. Now, we have an opportunity for a Financial Analyst who shares our philosophy to join the finance team based at our European headquarters in rural Hampshire.

You will be responsible for internal performance reporting and the provision of financial management information relating to all our operating companies throughout continental Europe and Scandinavia. Supporting the smooth operation of the budget process, you will also act as financial consultant — providing policy guidance, technical support and back-up to the country organisations.

A graduate and fully qualified accountant (Ideally ACA), you will require at least 3-5 years' post-qualifying experience. Excellent communication skills are essential and, as some travel is involved, a knowledge of European languages would be an

The highly competitive remuneration package is negotiable according to the breadth of your experience and attractive benefits include a company car, a non-contributory pension scheme and medical insurance. Generous relocation assistance will be given, where appropriate.

if you are ready to meet new challenges in a successful and growing company please write with full personal and career details to, or telephone: Martyn Hawsenson Manager Human Personal Amelical International Manager Human Personal Complete Links Resources, Amdahi International Management Services Limited. Dogmersfield Park, Hartley Wintney, Hampshire RG27 8TE. Telephone 0252 346204.

amdahi

Deputy Chief Accountant The City c.£35,000 + Car & Benefits

The City of London District is the flagship of British Telecom's 28 UK Communications Districts. We are at the forefront of technological change to meet the increasingly sophisticated telecommunication and information technology needs of the world's

Due to pramation, we naw seek a qualified and experienced accountant to jain a progressive and fast-moving finance management and accounting environment emplaying in excess of 150 staff, including professional accountants, dealing with forecasting, manitoring and control of income and expenditure.

Candidates should be ambitious and proactive self-storters capable of advising senior managers in business planning, financial oppraisals af bids and occounting

Asalory of c. £35,000 p.a. is offered together with car and benefits normally associated with a company of our international standing. A full c.v., indicating current salary and daytime telephone number (which will be used with discretion) should be sent to Amondo Harris, British Telecam, City of London

CITY OF LONDON DISTRICT

Providing better business connections

TELECOM

British Telecom is an Equal Opportunities Employer.

If you are seeking to advance your career at Board level or are being offered Outplacement, please phone us first to arrange an exploratory meeting without obligation to establish whether Career Development could

InterExec SMI Pic, Landseer House, 19 Charing Cross Road, LONDON WCZH 0ES, Telephone: 01-930 5041

Senior Financial Managers

Financial Directors

InterExec SMI are the pre-eminent providers of Career Management Services for Executives and Employers.

These include the only confidential Career Development Service specifically designed to assist the most senior and busy

enhance your prospects.

Hoggett Bowers

District, St. Giles Hause, 1 Drury Lane, London WC2B5RA.

Group Financial Controller

Thames Valley,

The client is a highly profitable billion pound plus UK public company with manufacturing and engineering interests throughout the world. The responsibilities of the job encompase profit and loss analysis, detailed evaluation of working capital and capital spending proposals for a group of companies worldwide. A full sporeciation of these operations and their markets is essential before undertaking the task. Reporting to the group finance director, the position represents a senior management post with supervisory responsibility and a good deal of overseas travel. As a graduate F.C.A. qualified, you should possess extensive post qualification experience in a manufacturing or industrial environment. Probably aged 35-50, with proven experience in financial analysis, forecasting and planning, you would also be expected to play an infinantial part in accessing the viability of acquisitions. The position calls for a highly motivated individual with well developed communication skills and estate commercial swareness. The shillipy to convense in another European language would also assist in taking full advantage of this challenging position. J. W. Conchie, Hoggett Bowers plc, George V. Place, 4 Thames Avenue, WINDSOR, SL4 1QP, 0733-850851, Fax: 0753-853839. Ref: W20014/FT.

Young Financial Controller

Board Level

Service Industry Operation

This two year old £19m turnover autonomous UK division of one of the world's largest high value manufactured products companies, now seeks a qualified chartered accountant to take responsibility for all accountancy and company secretarial matters. A proactive role, the incumbent will be expected to participate fully in strategic decision making in addition to providing advice and guidance to senior operating management. Ideally aged 25-35 and working in either industry or private CA practice your experience to date will have provided you with all the necessary skills to maintain the company's computerised accounting system and you will now be seeking a role at the highest level upon which to build your future. The parent company is French and whilst an understanding of the French language is desirable, a willingness to learn is the only pre-requisite.

A. Ingleson, Hoggett Bowers plc., 7 Lisbon Square,

LEELS, LS1 4LZ, 0532-448661, Fax: 0532-44461. Ref. L21010/FT.

Business Analyst

c £20,000, Car, Benefits

With recent acquisitions increasing its turnover internationally above £200m. Courtaulds Packaging offers an excellent opportunity for career progression in one of its UK based operating companies which has recently benefitted from a £12 million investment programme. Reporting to the financial controller you will parlorm the dual role of assisting in the preparation and analysis of information on mainstream activities plus the provision of separate management data on new products being introduced into the portfolio. A flair for developing PC-based information systems and the interpersonal skills to make an effective contribution as a member of a multi-discipline project management team would be major assets. Probably a graduate in your mid twenties and a qualified/finalist (CIMA) accountant you will receive a competitive salary, car and other large company benefits. a graduate in your little two these salary, car and other large company benefits. D. Pottier, Hoggett Bowers plc, 30 Queen Square, BRISTOL, BS1 4ND, 0272-296433, Fax: 0272-279714. Ref. D16015/FT.

These positions are greated under a familie completers. Plane and e.e. or bisphone for a Proposition Plane Plane to the mineral office, quality the appropriate

HIRMINGHAM, BRISTOL, CAMBRIDGE, CARDEFF, RUINBURGH, GLASGOW, LEEDS, LONDON, MANCHESTER, NEWCASTLE, NOTTINGHAM, SHEFFIELD, WINDSOR A Member of Hime Acrow plc

OIL AND GAS EXPLORATION CHIEF OPERATIONS ACCOUNTANT c.£26.000 + CARCentral London

Ranger Oil is a successful independent whose activities have been concentrated in the UK North Sea since the discovery of the Ninian Field in 1974. It now operates 10 exploration licenses in the UK and France and is on the threshold of operating its first North Sea development project. Ranger has interests in 70 blocks, including eight awarded in the UK

As part of its current expansion, Ranger is seeking an enthusiastic and commercially minded accountant to take charge of day to day operations accounting. Leading a team of four, the Chief Operations Accountant will be responsible for all the Company's operated and nonoperated joint venture accounting records, billings, audits and management reports, together with the associated controls and procedures.

The ideal candidate will already be working for a North Sea Operator and will have in-depth experience of Joint Vanture Accounting. Maturity, an organised hands-on approach, willingness to accept responsibility and well developed interpersonal skills are required for this positon.

We believe the Company offers its staff a stimulating and challenging environment, together with genuine opportunities for personal growth and achievement. In addition to salary, a firstclass benefits package is included.

in complete confidence, please write with CV to:-

The Administration Manager Ranger Oil (U.K.) Limited Ranger House, 71, Great Peter Street, London SW1P 2BN .

FINANCE DIRECTOR

DESIGNATE

from £40,000 + stock options + car This is an exciting opportunity to join a medium sized company, well

Waltham Cross

established in the international leisure industry.

As well as managing the day-to-day accounting function the finance director will assume responsibility for controlling the company's cashflow resources. This is likely to involve identifying and assessing alternative sources of funding as and when required. The finance director will also play an active role in identifying new

opportunities for the company. Candidates are likely to be aged 30-35 and will be qualified accountants. Experience gained in a heavily sales and marketing oriented environment will be a decided advantage.

Please send brief personal and career details, quoting reference F/279/F to Frances A Bell.

Ernst & Whinney

Executive Recruitment Services Becket House, 1 Lambeth Palace Road, London SE1 7EU

GROUP FINANCIAL CONTROLLER

MARKETING SERVICES £28,000 + car + boxus

Our client is a quoted plc, based in London W1, with a dynamic record of growth. With a strong, expanding client base, it is one of the leading forces in its sector.

The need now is for a young (preferably 27-30) ACA to come in as No. 2 to the Director of Group Finance. Key responsibilities include financial and management accounting, budgets, cash management and commercial advice to business units. Initially, however, the major challenge will be a complete systems

Candidates - bright and enthusiastic achievers - should have service industry experience. Strength in systems is vital.

Please write with full c.v. and details of current remmeration to John Little (Ref. 1607) at Bull Thompson & Associates Limited, 63 St. Martin's Lane, London, WC2N 4JK, who is advising on this appointment.

> BullThompson

LONDON - BIRMINGHAM - LEEDS - MANCHESTER

Can your financial skills create a forest?

The Countryside Commission needs the assistance of an experienced financial adviser to help develop the idea of creating a major new forest.

We are looking for someone with considerable experience in - raising private and public capital for project development

 public sector administration
 modelling and projecting cash flows
 developing robust institutional frame He/She will work on a contractual basis for a total of approximately 4 months during late 1989 and early 1990, based in Cheltenham.

If you think you have the skills to help, write to us at the address below by 26th July. Your c.w. present or proposed monthly salary and other details should occupy no more

than 4 pages. Pam Gilder, Countryside Commission, John Dower House, Crescent Place.

Cheltenham, Glos. GL50 3RA.

FINANCE DIRECTOR -DESIGNATE £28K + BONUS + CAR

An exciting opportunity exists in a Computer Service Company for an ambitious, qualified accountant with 2-3 years commercial experience to work closely with the Managing Director to

- successful integration of recently acquired
- implementation of company computer
- review of staff incentive schemes

Apply in strict confidence to: Robin Adda FCA, Managing Director, C/WP Computers, 235 Southwark Bridge Road, London SE1 6NN

APPOINTMENTS WANTED

ACCOUNTING CONSULTANT AVAILABLE

Just completed last project of over 12 months and ia now ready for short or long term accounting assignments,top class accountant with over twanty five years experience. Excellent recommendations as a successful achiever and motivator up to the highest level.

Please Contact:Mr. David Paton,2nd Floor, Wells House, 77-79 Walls Street,London,W1.Tel:01 580 5522.

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T1 11 4 3

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Chief Financial Accountant

High Wycombe

c. £34,000 + bonus + car

The G. D. Searle UK Group, a subsidiary of the US multinational G. D. Searle & Company, generates a UK turnover of some £40m from the sales of ethical pharmaceutical and consumer products. Ambitious growth plans are based on exciting new product launches and new European joint ventures.

Reporting to the Finance Director, you will manage the financial accounting function for diverse operating divisions and prepare financial and tax reports against exacting time-tables set by the US head office. There is also a major systems review

You will be a qualified accountant, probably Chartered or Certified, with at least five years' post-qualification experience, preferably with a US multinational. Good managerial skills are essential, as is personal graft and initiative.

The excellent benefits package includes performance-related bonus, fully expensed car, contributory pension scheme and medical insurance.

Please write - in confidence - with career and salary details to Peter Evans, Ref. B.49404, MSL International (UK) Ltd, 32 Aybrook Street, London WIM 3JL.

MSL International

Business Development Executive Service Industry c£30,000

Sevenoaks, Kent

Our client is a £250 m. plus turnover company which has grown rapidly over the past 6 years both at home and abroad. The main area of activity is office equipment sales and servicing.

The person to be appointed will report to the Business Development Manager, but will be involved in working closely with the Group Chief Executive and Group Finance Director.

This is a wide-ranging role, including profit improvement studies, budget reviews and the investigation and appraisal of acquisition

Candidates, ideally in their late 20's, should

be graduates with a post-graduate MBA. A minimum of 3 years' previous relevant experience in a successful industrial company, consultancy or investment organisation is required. They will need to demonstrate an ability to effectively communicate with senior Group and Divisional management.

There is an attractive salary and benefits package including car. This is an excellent opportunity to play a central role in the further growth of this exceptional company.

Please write - in confidence - stating how the requirements are met to Tim Neame, quoting reference FT. 8048, at MSL International (UK) Ltd., 32 Aybrook Street, London WIM 3JL.

MSL International

FINANCIAL CONTROLLER INSURANCE

READING

The Insurance Marketing Services Division (IMS) of Hogg Robinson & Gardner Mountain Insurance Brokers Limited is seeking to appoint a Financial Controller by September 1989. This rapidly developing Division specialises in the creation and administration of affinity Group insurance programmes.

The successful candidate would be responsible for a wide range of accounting functions. He/ she will also be responsible for high volume entries onto a digital computer system, liaising with in-house specialists over systems requirements, hardware and PC's.

Working in tandem with the Managing Director (IMS) and reporting to the Group Finance Director, the Financial Controller heads up a four-strong team providing information and advice on all related financial concerns.

Applicants for the position should be qualified Accountants with proven commercial and computing experience. Technical ability, commitment and motivation are as essential as a "hands on" operating style.

You would expect a benefits package including: Salary up to £25k depending on age and experience

Performance related bonus Company Car

* Other excellent benefits associated with a major British financial services organisation.

Apply in confidence, including a comprehensive CV and salary history to: Cleo Bowen (Mrs). Recruitment Officer, Hogg Robinson & Gardner Mountain

Insurance Brokers Limited Lloyd's Chambers, 1 Portsoken Street London E1 8DF



TO BE DISTRIBUTED FREE TO ALL **UK FINAL YEAR STUDENTS**

-GRADUATE -RECRUITMENT

A FINANCIAL TIMES SURVEY 1st NOVEMBER 1989

Just when the supply of 18-20 year olds is set to decline, employers are becoming increasingly conscious that securing an adequate supply of graduates of the right quality is crucial to their success.

For their part most final year students are aware that market power has switched in their direction. They are more likely to scrutinise closely the prospects of a sector and compare what each employer has on offer before embarking on a career.

The FT's Graduate Recruitment Survey will be written by the newspaper's unrivalled team of specialist writers with the interests and standpoint of the final year undergraduate deciding which career to follow very

The survey will be given free of charge to every final year student in the UK as well as those attending the top five universities in both West Germany and France.

To odvertise in the most authoritative and comprehensive survey of graduate recruitment to be published by a national newspaper to date contact: - Tim Kingham, Financial Times, Number One Southwark Bridge London SE1 9Hl Tel: 01-873 3606.

FINANCIAL TIMES

Fax: 01-873 3062

FINANCE DIRECTOR (DESIGNATE)

Telford

Blockleys Public Limited Company, a highly successful and very profitable £18M turnover company, manufactures high quality building products for an impressive range of customers. The company has developed through major expansion over the past few years, and is currently developing new investment potential which may lead to acquisitions, and they now seek a Chartered Accountant with senior management experience, preferably in the building or allied industries to assist the current Financial Director prior to taking over the Finance function at Board level. Knowledge of acquisitions and corporate finance is desirable. The ideal appointee will be aged 35-40 and possess the drive and enthusiasm to work with a committed and strong management leam.

3i Consultants Ltd Human Resources

£35-40% + car

Benefits include an executive car, a contributory pension scheme, BUPA, life assurances and axecutiva share options. Relocation expenses are available if

For further details and an application form, please write to Brian Hayden, Senior Consultant, 3i Consultants Ltd., 34 Park Cross Street, Leeds LS1 2QH, or telephone 0532 459469 (24 hours) quoting



Ambitious Young Accountant £25,000+Car Kensington Education and Publishing Group

BPP Holdings plc is expanding rapidly, both organically and by acquisition. The strength of the group's stockmarket rating reflects both the current buoyancy and the future growth potential of its area of operations.

An opportunity now arises for an ambitious, qualified accountant to join the group. As part of a team of energetic professionals, the successful applicant will be responsible for establishing targets and controlling the financial performance of several operating companies.

BPP's policy is to recruit the brightest and most energetic young people. A first class academic background and demonstrable communication skills are regarded as essentials. The remuneration, benefits and future prospects offered fully reflect these requirements.

Applications, with CV, in coofidence to Helen Martin, at the address shown below.

BDD

BPP Holdings plc, Aldine Place, London W12 8AA. Telephone 01-740 1111.

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Financial Director

S.E. Wales

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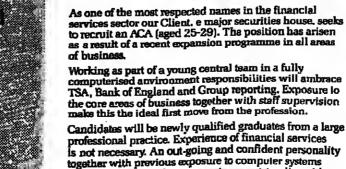
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FINANCIAL TIMES COMPANIES & MARKETS

Thursday July 20 1989

Not just Number I in Plumbing Supply

INSIDE

Swimming against the tide



Not many stockbrokers travel to the office from a remote island by small boat, ferry and car, but In the summer months Mr Mats Söderberg of Sweden does just that. He is also unusual in that he and his partners have formed their own firm at a time when the rate of turnover in secu-rities is dwindling — but

then you have to be an optimist to be in the stockbroking business, claims Mr Söderberg.

Oil and Greece

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Greece's new government has asked Denison Mines for an extension of 30 days to give it time to consider making an offer for the Canadian company's controlling stake in the North Aegean Petroleum Company, NAPC operates the only commercial oil and gas field in Greece and, should the government take abso-jute control of the north Aegean oil concession, it might ease the way towards a settlement of the Aegean continental shelf dispute with Tur-key. Page 21

Oh, sunflower of Scotland



If the so-called greenhouse effect pushed up temperatures by 3 per cent over the next fifty years, what would be the effect on UK agriculture? Would the grass grow for most of the year and sunflowers be harvested in Scotland? Or would Britain become much drier as well as hotter, with traditional products like potatoes, milk or sugar beet giving way to sorghum, soyabeans or tobacco? Such questions were addressed last week at a conference organised by Reading University's Centre for Agricultural Strategy, Bridget Bloom reports. Page 20

Arguing over the junk

The controversy over high-yield, or junk, bonds has been rekindled recently by a row between two US academics over default rates for the bonds. Stephen Fidler and Norma Cohen examine a third study, by Moody's Investors Service, that throws fresh light on a matter that has unsettled the \$190bn US junk bond market.

He who dares may win

From the moment that Anglo United, the fuel distribution group, announced its daring take-over offer for Coalite, a far bigger competitor, it was clear that it was going to be a hard-fought contest. However, with acceptances believed to total between 28 and 32 per cent of the capital, as well as an 8.4 per cent stake in hand, Angle is showing every indication, that by the offer's final close next Tuesday, it could push through the 50 per cent barrier, writes Ray Bashford. Page 26

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Top management upheaval at SGS

SULVEILENCE (SGS), the Swiss inspection services group, is in the throes of a management unheaval. Mr Philippe de Weck, chairman, and three other directors have resigned and Mr Patrick Rich, managing director, has also left the group. also left the group.

With a turnover last year of

With a turnover last year of SFr1.68m (\$1.1bm), SGS is the world leader in its field. The directors' resignations were prompted by the decision of the majority shareholders, descendants of the founding families, to call an extraordinary general meeting on September 11. Mr Fritz Leutwiler, former President of the Swiss National Bank, is among those leaving.

Mr Rich has made no statement but his departure, effected in agreement with the board, is understood to be due to his disap-pointment over the troubles caused by his management style and difficulties in implementing . The nub of the conflict revolves around SGS's inability

over the past year to use its SFribn cash kitty to expand, and differences over the direction of its future development. Mr Rich is understood to have wanted to make a major acquisi-tion in the US but he had also been trustrated by SGS's failure to seles two or three earlier takeover opportunities, allegedly because of the board's indecision.

Mr Jean-Bernard Houriet, spokesman for the majority shareholders, said the younger generation of the controlling famgeneration of the controlling lau-lies intended to use SGS's cash for "diversification in areas not judged to be too far away from its basic business." They saw enor-mous untapped potential in inspection and control services, the creation of the European single market and in environmental

and drugs control.

Mr Rich is being replaced from
August 1 by Mr Claude Goldberg, a senior general manager who has spent his whole career with SGS. Mr Rich joined the group from Alcan just over two years Mr de Weck is expected to be

replaced as chairman by Mrs Elisabeth Salina Amorini, a 34years old lawyer who is a grand-daughter of one of the company's founders and deputy chairman since last year. She will be joined on the board by Mrs Katrin Lan-gloh, 36, an economist, who is also a descendant of a founder, and Mr John Craven, 48, chief executive of Morgan Grenfell the UK merchant bank, who is described as a personal friend of the fourilles.

the families.

The families hold 50-60 per cent of the stock. Union Bank of Switzerland, which was represented on the board by Mr de Weck, holds 12 per cent. Pictet, the private bank, controls 8 per cent and was represented on the board

by Mr Claude de Sanssure, its former senior partner and Presi-dent of the Swiss Bankers' Asso-ciation. Mr de Sanssure, 70, is among those resigning but he was due to retire and will be replaced by Mr Guy Demole, a Pictet partner.

Last year SGS posted a 17 per cent increase in net consolidated earnings to SFr124.6m and in his resignation statement Mr de Weck said the forecast of a further sharp profit advance in 1989 bad been fully met in the first six The Swiss stock market has so

far reacted favourably to the changes at the top of SGS. Yes-terday its share price advanced by SF1225 to SF15,550.

Hoylake slips up with BAT filings

By Nick Bunker in London

HOYLAKE, the investment vehicle for Sir James Gold-smith's £18bm takeover hid for the UK's RAT industries, found itself unexpectedly on the defen-sive last night after it emerged that there was a small but embarrassing error in filings which its lawyers have deposited with state insurance regulators

In the US.

The filings turn out to have over-stated the success fee to be paid to Hambros, Hoylake's merchant bank, by mistakenly giving them in pounds sterling, rather than in US dollars.

RAT selzed last night on Hoy-

lake's discomfiture, saying there lake's discomfiture, saying there could be other inaccuracies in the filings. "If they can get their merchant bank's fee wrong, one wouders how much else is wrong," said Mr Michael Prideaux, a BAT spokesman.

Debevoise & Plimpton, one of Hoylake's New York law firms, deposited the filings, known as "Form A's", with state insurance "Form A's", with state insurance commissioners last week,

because of their jurisdiction over BAT's Farmers Group motor and home insurance subsidiary. According to the text of Hoy-lake's Form A's, Hambros would receive £30m if the bid suc-ceeded, or £5m if it failed. Late yesterday though, Ham-bros released a brief statement. saying the figures should actu-ally have read \$30m and \$5m. There had been what Lowe Bell Financial, the public relations firm acting for Hoylake, called "a mis-filing" on Hoylake's side, Elsewhere in the battle for

BAT yesterday, a few more details surfaced of the role of foreign investors, including the French-based Paribas group and the Aguelli family, which plan to take stakes in Hoylake's bid. In Turin, the Agnelli family's IFI holding company said it had made "only a very small" invest-ment in Hoylake as a short-term

active role in the bid. Over the next week though, the action in the BAT/Hoylake drama is switching to the lunchrooms of the City of London and to Scotland's financial commu-nity, as Sir James begins putting the case for the bid in a series of meetings with fund managers with stakes in BAT.

exercise, and would not play an

According to several large UK institutional investors, James Capel, Hoylake's stockbroker, has been sending out dozens of invitations to leading fund managers, asking them to a series of lunch and dinner parties to meet Sir James. This first round of meetings is expected to end with trips to Edinburgh and Glasgow.

Slugger who insists it ain't over till it's over

Robert Thomson on a Japanese businessman's battle to save his plan for a shake-up of the retail industry

r Shigeru Kobayashi, property developer, equity investor and good friend of a just retired US President, is a man accustomed

to getting his way. Yesterday, though, he showed uncharacteristic concern at the fate of his alleged grand plan to restructure the Japanese distribution and retailing industries that has begun with a spate of hostile stake-building.

Chujitsuya and Inageya, two supermarket groups, propose to take significant stakes in each other through a discounted share issue that will dilute the unwelcome holdings of his privately-owned Shuwa stakes, disclosed at 38.4 per cent in the former and 21.4 per cent in the latter. The battle entered a Japanese

courtroom this week as Shuwa seeks to block the share swap on the grounds that the price at which it is being made is unreasonably low. According to Mr Kobayashi, the deal threatens Japan's repucial centre. Certainly, the court's decision, expected early next

week, will influence future merger and acquisition attempts

in Japan and set standards for the validity of creative defences to hostile purchases. to hostile purchases.

"I am paying these people to make sure I do not lose," said Mr Kobayashi, gestuding at five lawyers who sat with him at a rare press conference in Tokyo.

The prospect of defeat in the battle drew allusions to baseball and the Japanese army from Mr Kobayashi, who explained that

even if you are in the last inning of a baseball game and down eight runs to nothing, the contest

eight runs to nothing, the contest is not over.

His position at present is not so dire, though a longtime friend and key player in this match — Mr Nobotsugu Shimizu, chairman of Life Stores, another retailer — has suggested that the complicated game could be lost.

"Mr Shimizu is not incorrect and I am correct. Both of our and I am correct. Both of our and I am correct. Both of our views are appropriate," said Mr Kobayashi, clearly not wanting to criticise his friend, who was to head a large retailing chain as part of the grand plan.

If events proceed as planned, the chain would have annual sales of Y1,000hn (\$7.1bn), putting it in the class of the largest Japanese retailers.

nese retailers. The planned group would include the family-controlled Chuittsuya (76 stores) and Ina-geya (102 stores) as well as Nagasakiya, an apparel specialist, and Mr Shimizu's Life Stores. Asked

by Japanese reporters about the history behind the influential Mr Shimizu's involvement, Mr Kobayashi yesterday revealed that the pair had occupied adjoining beds in a military hospital during the Second World War.

He also said that a sealed envelope given him by Mr Shimizu, who is ill at present, would shed light on the validity of his claim, though it could not be opened at the press conference. Then he hinted that he had documents

friendship with Mr Ronald Rea-gan, his company has assets val-ued at about \$10bn, including about 50 office blocks in Japan and 40 in the US - he once said he would like to own at least one building in each of the 50 states. He has cultivated friends in high places in the two countries with such philanthrophic acts as dona-tions to the Los Angeles Museum of Contemporary Art and the city

of New York.

In this case, Mr Kobayashi sees himself as misunderstood. "I am hise he mesh boy at school who is bullied by the boys who have been there for a longer time," he said. He rejected the proposition that he has only a short-term interest in Chipitaya and Inageya, and claimed a deep and abiding fascination with retailing and distribution, though he con-ceded that he needs to learn a few tricks of the trade and that he himself would not manage the

new group. Despite the court case and the acrimony, he likes to think that a good relationship is not out of the question with the two retail-ers he has taken to court.

while Mr Kobayashi was yes-terday accompanied by the clutch of lawyers, Chujiisuya and Ina-geya have bired Nomura Wasserstein Perella, the corporate finance company established last year by Nomura Securities and Wasserstein Perella, the New York mergers and acquisitions



to Inageva at about a 75 per cent discount, and Inageya will issue 12.4m shares to Chujitsuya at about a third of the market price. The companies argue that the prices are fair, given that the market level has been inflated by Shuwa's buying.

The chairman of the Japan Securities Dealers' Association, Mr Yoshio Yokota, who is also chairman of Yamaichi Securities, said that new share issue prices should correspond with market prices. While he was obviously referring to the retailers' defen-sive strategy, Mr Yokota said the Tokyo District Court must decide

if the prices are too low.

Mr Yokota said that if a pro-

implemented, the awkward situa-tion of a predatory company sud-denly becoming the largest share-holder of another company would not arise. In the retailing industry the

battle is also being closely watched, and not without sympa-thy for Mr Kobayashi's ideas. Yesterday the presidents of two of the largest stores chains — both of whom he had previously identified as people with whom he could do business - expressed he could do business — expressed a willingness to become involved. Mr Isao Nakanchi of Daiei was quoted as pledging: "If asked, I should like to consider working out a deal satisfactory to all the parties concerned." At the rival Ito-Yokado, Mr Masatoshi Ito want on record as satisfactory "I told

specialist. Under their cross-holding plan, which the two retailers say is unrelated to the Shuwa offensive, Chujitsuya will issue 22m shares posed 5 per cent stock notifica-tion rule requiring investors to report holdings above that figure to the Ministry of Finance was that contained dirt on the two went on record as saying: "I told Mr Kobayashi that I would co-op-erate with him as much as I can." unco-operative companies. Mr Kobayashi is not to be taken lightly. Apart from his Time reports modest profits rise

TIME INC, the leading US broadcasting and publishing company, which is planning to merge later this month with Warner Communications, reported modest improvements in earnings and revenues in the second quar-

Time's announcement came one day after the publication of results from Waxner which showed much stronger growth in that company's businesses.

Mr Richard Munro, Time's chairman, noted that the record earnings reported by Warner from each of its core businesses gave "further evidence of the commons potential of the commons potential of the common potential of the common from each of the common of the commo Time's announcement came Time reported net income of \$94m or \$1.61 a share in the second quarter, up 12 per cent on the \$34m or \$1.45 if made a year

By Anatole Kaletsky in New York dend from Turner Broadcasting System. Time's revenues increased by 10 per cent to \$1.22bn.

Warner made net profits of \$83m or 46 cents a share in the second quarter, up 19 per cent on the \$70m or 38 cents s year ear-Excluding a one-time gain of

\$34m in the year earlier quarter, Warner's underlying earnings increased by 79 per cent, partly as a result of booming results in

its film division, which has just released Batman, a record-break-ing hit. Warner's quarterly reve-mes increased by 9 per cent to The sectoral breakdown of Time's results showed operating income from magazines increasing by 2 per cent to \$22m on revenue gains of 8 per cent.

Advertising revenues were up by 11 per cent and circulation revemues grew by 5 per cent. The book division enjoyed s 43

per cent improvement in operat-ing profits, to \$20m on a revenue gain of 18 per cent. The TV programming business increased its income by 44 per

cent to \$52m, but this comparison was inflated by the \$13m payment from Turner Broadcasting which was recorded in the third quarter last year. Revenue gains in Time's highly prized Home Box Office pay-cable business were only 3 per cent.

The cable television segment

The cable television segment reported a 32 per cent increase in operating profits to \$62m. But this was partly due to the consolidation of Memphis CATV, a cable group which was 49 per cent owned until the end of last year and was previously accounted on the equity method. However, the year-earlier figure was distorted downwards by the inclusion of losses from Lorimar Telepictures, a company Warner acquired in January this year.

BAe bids £278m for Arlington

By Paul Cheeseright in London

ago. However, much of the advance in profits was attribut-

BRITISH AEROSPACE yesterday made an agreed £278m (\$450m) takeover bid for Arlington Securities, the property development company, in a move to inject strong management into its big property portfolio and add a new earnings stream to the group.

Extensive property assets were acquired by BAe as part of its purchase from the British Government of Royal Ordennes and purchase from the British Government of Royal Ordnance and Royal, the motor group, leading to accusations that it might have bought the companies too cheaply.

However, Descare Polarical However, Professor Roland

ness of defence equipment, com-mercial aircraft and motor vehicles but was "breathing new

life inte surplus assets."

Although the Arlington hid had been widely expected, yesterday's offer set off heavy trading in Arlington shares which rose 32p to 348p. BAe shares, which were also affected by yesterday's European Community amouncement paying the way for increased foreign shareholdings in the company, ended 20p higher at 741p. at 741n

For every three Arlington ordinary shares, BAe is offering 10 new cumulative convertible redeemable preference shares with a cash alternative. Smith, BAe's chairman, yesterday sought to rebuff claims that ing a dividend of 7.75p net, are exploitation of its property was asset stripping. He also stressed that the group was not turning after puts a value of 350p on each away from its mainstream business. native, on the other hand, is worth 333.3p for each share.

Conversion of the preference

will result in the issue of 32.8m new BAe ordinary shares, or II per cent of the enlarged capital of the group.

The Arlington directors, who control 15 per cent of the equity, are taking the preference share offer. They are also subscribing £4.99m of their own money for a \$40.90 mer cent take in a \$100m. 49.99 per cent stake in a 210m management company which will run the property interests of the merged companies. BAe is sub-scribing for a 50.01 per cent stake. There is a profit-sharing arrangement, the details of which have not been disclosed

The effect is to lock the Arlington directors into British Asro-space. The running of Arlington's extensive business park, retail and leisure properties, however, will carry on as before and their financing arrangements will not be affected.



AMR breaks record despite erosion of fares

to \$74.7m

HONEYWELL, the US electronic controls and defence

equipment group which has been the subject of persistent

takeover rumours, yesterday reported soaring second-quar-ter earnings

Net income for the three months ended July 2 leapt 137 per cent to \$74.7m or \$1.73 a share from \$31.6m or 75 cents the previous year. Sales were up by only 1.3 per cent to

Excluding extraordinary items in the 1988 quarter which resulted in an after-tax less of \$28m or 66 cents a

share, earnings were up 25.3

per cent.

For the first half, net income rose 54.2 per cent to \$137.7m or \$3.19 from \$89.3m or \$2.11 a year earlier on sales which fell 1.2 per cent to \$2.45hn from \$2.55hn.

The industrial business sec-tor's operating profits were up sharply, led by automation systems. The space and avia-tion division's operating prof-its also advanced, thanks to a substantial increase in com-mental aviance profits and

mercial avionics results and the recovery of the military avienics group, which posted a loss in the 1988 quarter.

Operating profits declined in the home and building auto-mation and control sector due

to weakness in construction

markets. Profits were also down in the defence and

marine systems business,

which posted strong results

The Minneapolis-based com-

pany said orders for each of its

main businesses increased in

the second quarter, led by commercial flight systems and industrial control systems.

Shares in Honeywell rose \$14 to \$83½ in mid-session on the New York Stock Exchange.

Drop in metal

back Noranda

LOWER METAL prices and

production problems brought a 10 per cent decline in first half earnings for Noranda, Canada's largest resource group. Net profit was C\$283m (US\$238m), or C\$1.45 a share, down from C\$314m or C\$1.64 a year earlier, on revenues of C\$4.7bn against C\$4.4bn.

C\$4.7bn against C\$4.4bn.
The second quarter net was
C\$125m or 63 cents, down
from C\$186m or 98 cents a

year earlier, on revenues of C32.4bm, against C42.3bm. David Owen writes: Falcon-

bridge reported flat second quarter earnings, reflecting a more subdued market for

nickel after previous sharp price increments.

However, income for the first six months doubled due

to higher average prices and a greater volume of copper and ferro-nickel sales.

In all, net second quarter income totalled C393m or C31.40 a share, compared with C395m or C\$1.18 in the corre-

sponding year-earlier period. Revenues rose almost 20 per

For the six months ended June 30, profits reached C\$258m or C\$3.93 against C\$130m or C\$1.63.

prices holds

By Robert Gibbens

By Karen Zagor

By Roderick Oram in New York

AMR, parent company of American Airlines, the largest US carrier, has turned in record profits for the fourth successive quarter despite a large

increase in its capacity and some erosion of fares.

Net earnings for the three months ended June rose \$25.8 per cent to \$177.9m, or \$2.83 a share, from \$141.4m, or \$2.36, a year earlier. Revenues grew by 25.5 per cent to \$2.72bn from \$2.16bn. First-balf profits were \$278.9m, or \$4.43 a share, against \$209.8m, or \$3.49, on revenues that rose 25.2 per cent at

\$5.17bn against \$4.13bn a year earlier.

By Anatole Kaletsky

PHILIP MORRIS, tha US

tobacco and food conglomerate, reported strong results for the

second quarter as its cigarette operations continued to gain

market share and increasing

operating earnings more than offset the heavy acquisition costs of the Kraft food busi-ness, which Morris bought last

The company's net earnings

in the second quarter were up 22 per cent at \$745m or \$3.22 a

share. A year ago, before the Kraft acquisition, Morris earned \$611m or \$2.61. Operat-

ing earnings, excluding taxes and the interest and goodwill costs incurred in the Kraft

takeover, were up 45 per cent at \$1.91bn.

GENERAL DYNAMICS, a leading US defence contractor,

took a further charge in the

second quarter in connection

with its attack submarine pro-gramme and warned that such charges could continue for

some time, writes our Finan-

The group, which produces the F-16 fighter and is involved in a joint fighter project with the Japanese, took \$50m in charges in the latest second

quarter on the SSN688-Class

attack submarine programme.
It added that production problems at its Electric Boat

division could mean charges

against earnings would con-

General Dynamics blamed a

shortage of qualified labour in

TANDEM COMPUTERS, the

US manufacturer of computer

systems for transaction pro-cessing, reported strong third quarter growth.

Net income for the quarter was up 78 per cent at \$30.8m or 31 cents per share, compared

with \$17.3m or 18 cents, on rev-

enues ahead 24 per cent to \$420.7m, from \$339m last time.

net income was \$78.9m or 79 cents, against \$64.3m or 65 cents earned in the first nine

income in its second quarter to \$36.9m, against \$36.7m.
The group blamed price discounting in the newsprint mar-

ket, and the failure to get a price rise for containerboard due to low demand.

However, price rises are planned for other products and

336 Strend, London, WC2R 1HS

July 20, 1989

By Maggie Urry

For the nine month period

cial Staff.

General Dynamics warns

Rebound in Europe helps

monthe of fiscal 1988. Revenue cautious about currency move increased to \$1.2bn from \$3930.7m. "Onr computer systems business in the US look forward to 1990."

JEFFERSON Smnrfit cost increases were held by the Corporation, the 78 per cent owned North American subsidiary of Jefferson Smurfit, the Dublin-based paper and packaging group, showed only a marginal increase in net income in its second quarter to

Jefferson edges ahead

Tandem surge by 78%

of further provisions

"Although the quarter was one of

growing fare instability, our strong traffic, successful revenue management and continued attention to controlling unit costs all helped produce another record earnings performance," said Mr Robert Crandail, chairman.

The company also set a new monthly traffic record in June, followed by a daily record on June 30 when it flew 277.4m revenue-passenger miles at a load factor of 83.5 per cent. American led the domestic market with a 21.8 per

cent share during the quarter.
In the latest three months, AMR's yield, or revenue per passenger mile, increased 2.8 per cent to 12.17 cents.

Strong cigarette side | Honeywell

boosts Philip Morris leaps 137%

The company's total operat-ing revenues advanced by 46

man, said operating revenues at Philip Morris USA, the

domestic tobacco division, were up in the latest quarter as a result of gains in volume and

market share. Philip Morris International.

the overseas tobacco business, also increased revenues and added 7.6 per cent to its unit volumes in the second quarter.

General Foods USA produced higher contains revenues, as

higher operating revenues, as did Kraft USA. Meanwhile

Kraft General Foods Interna-tional recorded higher unit vol-

ume but slightly lower operat-

the New England area and lower than anticipated produc-tivity, which has slowed work

on the submarines and forced it to extend delivery dates. This has resulted in higher

It said: "We may not be able

to avoid further charges before 1996 when we deliver the last

688 currently under contract."

Second-quarter net income rose to \$58.4m or \$1.39 a share

compared with \$46.7m or \$1.11 last time, when there was a charge of \$33m relating to the programme. Sales for the

period were \$2.5bn, compared

with \$2.4bn. At the halfway

stage net income edged ahead to \$133.8m or \$3.20 from

\$132.4m or \$3.15 on sales of

was very strong, Europe rehounded nicely from last

quarter and other areas of the world performed as expected,"

said Mr James Treybig, Tan-

Tha company sited a big order won during the quarter from the California State Department of Motor Vehicles, which will use a Tandem com-

puter system to create what is claimed to be the largest data-base of its kind in the world. Mr Treybig said: "We remain

Sales were up by 4 per cent in the second quarter to \$334.7m and earnings per share rose 2 per cent to 96 cents because of a share buy-back. In the first half year, net

income rose 4 per cent to \$71.8m and earnings per share by 4.5 per cent to \$1.86. Sales rose 3.1 per cent to \$654.5m.

dem president.

than expected costs.

Mr Hamish Maxwell, chair-

Operating expenses increased 26.3 per cent and capacity increased 17.8 per cent, making unit costs 3.8 per cent higher. Its load factor was 65.3 per cent, up 0.7 point from a year earlier.

AMR is favoured by Wall Street analysts, who are forecasting earnings per share for the full year of around \$9, up

from \$7.92 last year.
Some of its increase in traffic is attributable to the strike at Eastern Airlines, particularly at San Juan and Raleigh/Durham airports. But American Airlines and its commuter airline subsidiary American Eagle have been expanding their own routes as well.

• Leaders of the Eastern Airlines pilots' union rejected a proposal that called for 35 to 40 per cent of the pilots to go back to work, ending a brief

period of progress in negotiations,
AP-DI reports.

Meanwhile, the Texas Air unit
acknowledged that it was unlikely to
meet the ambitious flight schedule announced for August.

Bargaining is expected to continue, but neither side holds out hope of prog-

The union and the company declined to comment yesterday on the negot-

Monsanto up 10% in second quarter

By Karen Zagor in New York

MONSANTO, the US chemicals and pharmsceuticals group, yesterday reported strong growth in earnings and sales for the second quarter. Net income for the three months ended June 30 rose 10 per cent to \$241m from \$220m a

year earlier while sales advanced 4 per cent to \$2.35hm from \$2.26hn. Rarnings per share improved more sharply, by 16 per cent to \$3.54. Mr Richard Mahoney, Mon-

santo's chairman and chief executive, said operating per-formance was strong across all its main product lines. The company also benefited from good market conditions. "We're pleased with this year's record pace and optimistic

about the prospects for a good second half of the year," he

The company's best performance came from its agricultural company. Operating income for the division's crop chemicals unit rose to \$216m from \$184m, led by a 30 per cent increase in worldwide volume for the Roundap herbi-

"Monsanto has repositioned itself into a new category of company with products that are based on chemistry, but far less affected by traditional chemical industry cycles," said
Mr Mahoney. "Our product
portfolio is now much less sensitive to economic finctua-

Amax slips as gold and aluminium prices fall

By Kenneth Gooding

LOWER aluminium and gold prices hit the second-quarter earnings of Amax, the US natu-

nal resources group.

Net earnings for the second quarter were \$130.9m or \$1.53 a share, compared with \$237.9m and \$2.64 in the same period of 1988. However, Mr Alan Born, chairman, said yesterday. chairman, sald yesterday: "Overall, we expect 1989 will be another very good year for

The figures were distorted by a non-recurring gain from a \$125m federal income tax settlement in the second quarter of 1988. Excluding that settle-ment, earnings showed an \$18m improvement in the second quarter this year, Amax

In the latest quarter, Amax shipped 57,500 tonnes of primary aluminium compared with 73,500 tonnes in the same months last year. Shipments of fabricated aluminium rose from 145,100 tonnes to 151,900 tonnes. Operating profit from the aluminium business fell from \$147m to \$144m. However, Mr Born said that aluminium continued to turn in a strong

Amax shipped 69,404 troy ounces of gold, up from 54,109 ounces, in the quarter, but the average realised price fell from \$448 an ounce to \$417.

Total sales for the second quarter were \$1.08bn, marginally up on the \$1.03bm for the same months last year,

GTE continues growth trend with 10% advance

By Karen Zagor

GTE, the largest US telecommunications group out-side the Bell system, continued its recent growth trend hy reporting higher second quar-

ter earnings.

Net profits for the three month period rose 10 per cent to \$329m from \$299m a year earlier. Earnings per shara were up 13 per cent to 96 cents from 57 cents and revenues rose 3 per cent to \$4.3bn from \$4.2bn.

"This strong second quarter performance is particularly gratifying in light of the continuing competitive and regu-latory pressures faced by our

major businesses," said Mr James Johnson, chairman and chief executive. "It also reflects the benefit of strategic actions taken last year, especially the sale of 30.1 per cent of US

Revenues from telephone operations increased 5 per cent during the quarter to \$3.1bn, although the division's operating income of \$682m was below its 1988 level. Overall, second quarter reve-

nues rose 21 per cent, reflecting increased sales of government communications systems, cellular telephone ser-vices and directory advertising.

MCI and Sprint improve

By Roderick Oram

MCI Communications and US Sprint, the two main competi-tors to AT&T in long-distance telephone services, have reported further strong gains in revenues and profits in the

latest quarter.

MCI chalked up another record quarter with net earnings soaring to \$150m or 56 cents a share from \$62m or 21 cents. Revenues rose 31 per cent to \$1.59bn from \$1.22bn. The results reflected a fur-ther sharp rise in use of capacity on its long-distance net-

The first-half net was \$285m or \$1.07 against \$120m or 42 cents a year earlier. Both periods included a small net gain from extraordinary items. Revenues rose to \$3.09bn from

s2.35bn.
Second-quarter operating income at Sprint, which is 80 per cent owned by United Telecommunications and 20 per cent by GTE, was \$48.1m against a loss of \$98.3m a year earlier. Net operating revenues rose to \$1.04bn.

INTERNATIONAL APPOINTMENTS

United Airlines in Frankfurt flights plan

By Roderick Oram

UNITED Airlines, the second largest US carrier, will begin flights to Frankfurt next May as the first step in an ambitious and long-overdue trans-

atlantic strategy.

It remains for now the only major US airline absent from the highly competitive market, an omission which had threat-ened its ambition to become one of the handful of truly one of the handral of truly global carriers. In 1985 it bol-stered its Far East presence with the purchase of Pan Am's Pacific routes for \$750m.

The Atlantic expansion was "one of the most important

strategic moves in United's history," said Mr Stsphen Wolf, its chief executive.
United had tried previously to make np for its lack of Atlantic routes hy a joint mar-

keting agreement with British Airwsys. The arrangement would continue in cities where the two would not compete.

Its first Atlantic service next May will be daily flights from Chicago and Washington to Prankfurt using Boeing 767 airliners. It has government permission for those rontes

bnt will need to seek approval for its other plans.

It hopes to serve London, Glasgow, Paris, Rome, War-saw and Budapest from New York, Chicago, San Francisco

and Washington.
The services will pit it against American and Northwagainst American and Northwest, two latecomers expanding aggressively in the Atlantic market, and well established US and foreign carriers such as Pan Am, Trans World Airlines and British Airways.

US airlines have some 40 per cent of Atlantic traffic and foreign carriers some 47 per cent

eign carriers some 47 per cent with independents and charter operators taking up the balance, according to Airline Economics of Washington.

Among individual airlines,

American has 4.7 per cent, TWA 13 per cent, Pan Am 14.2 per cent and British Airways 10.9 per cent.

Sun Micro and Lotus in joint deal

By Louise Kehoe in San Francisco

SUN MICROSYSTEMS, the computer workstation mann-facturer, and Lotus Development, one of the leading publishers of personal computer software, have signed a joint development and marketing agreement under which Lotus will develop applications programs to run on Sun'a computer workstations.

The agreement with Sun marks Lotus' first move to

develop software for computer workstations running AT&T's Unix computer operating system. Previously, Lotus products, including its best selling Lotus 1-2-3 spreadsheet, have been designed for use on personal computers.

For Sun Microsystems, the

agreement with Lotus represents a significant step toward its goal of establishing its workstations as a new stan-dard for desktop computing. To date, the market for compnter workstations has been

limited by the lack of standard business applications programs, such as those offered by Lotus.

Financial terms of the agreement and specific product plans were not disclosed. However, the communication and latest the communication and latest the communication.

plans were not disclosed. However, the companies said Lotus will develop programs for Sun's three types of workstations; those based on the Intel 386 microprocessor, on the Motorula 68000 chips, and on Sun's Sparc reduced instruction set computer (Risc) chips.

"Momentum is clearly growing for Sparc/Unix workstations and we expect this announcement to further that announcement to further that momentum," said Mr Jim Manzi, president of Lotus.

Minorco admits its debt and equity not welcomed abroad

By Kenneth Gooding, Mining Correspondent

MINORCO, the Luxembourg investment offshoot of South Africa's Anglo American mining group, for the first time has acknowledged widespread diffi-culties in gaining foreign acceptance both for its equity and its deht as it attempts to expand by acquisition

Mr Julian Ogilvie Thompson, deputy chairman of Anglo and deputy chairman of Anglo and chairman of Minorco, said the group's plans to use Minorco to build a worldwide natural resources group had suffered sharply from the collapse of its £3.5hn (\$5.67bn) bid for Consolidated Gold Fields of the

"It will be a long and diffi-cult process," he said during an interview in Johannesburg. Mr Ogilvie Thompson accepted that it would now take years to reduce the 60 per cent South African shareholding in Minorco shared between Anglo and De Beers, its sister company, hy increasing Minorco's capital base and introducing new shareholders.

Minorco will have about the property of the control of the

\$2bn to spend when it collects the cash for its 30 per cent shareholding in Gold Fields from Hanson, which is now putting the finishing touches to its agreed offer for the mining group.

The Minorco executive man-

agement team, headed by Sir Michael Edwardes, chief executive, with Morgan Grenfell, its adviser, are drawing up a list of businesses which Minorco might enter, Mr Ogilvie

However, he agreed that some countries "would not welcome" Minorco because of its South African parentage. Nei-

ther would Minorco equity be welcome in the US and it would be difficult to persuade UK and Canadian investors to take the Luxembourg-quoted shares.

He also accepted that in future Minorco might have difficulty finding banks willing to provide it with finance. This was due to the pressures put on Chemical Bank and Bank of on Chamical Bank and and Nova Scotia by anti-apartheld campaigners because those organisations helped provide a line of credit for the Gold

line of credit for the Gold Fields bid.

However, it would take some time for Minorco to spend its cash hoard, "and the way South African politics are mov-ing I would hope over a period they will come right and this may persuade [the banks] to take a different view of Minorco and its South African

"I can't help feeling that sometime in the 1990s there

will be this change."

Mr Ogilvie Thompson
refused to join in the criticism
of the tactics employed by Sir
Michael during the Gold Fields battle and described him as "a brilliant man, if a little abrasive at times

He also said that, although Minorco's reputation was damaged by the US court action which resulted in it having to drop the Gold Fields hid, there was little point in attempting to use the courts to clear the company's name in view of the attitude of the New York judge in past bearings. The same judge would preside if Minorco insisted on taking the case to full trial - a process which in any case would take more than

Cost-cutting by Gencor improves profitability

By Jim Jones in Johannesburg

TWELVE MONTHS of costentting and eliminating unprofitable workings paid off during the June quarter for gold mines run by Gencor, the second largest of South Africa's mining houses. Unlike other houses which

have reported lower profits for their gold mines, those of Gen-cor have generally reported higher revenues despite lower

gold production. The group expects higher gold prices during the 1990s with strong demand for jewellery in the world's richer coun-

tries and lower production from countries such as Canada, the US and Australia as surface mines become

exhausted.

However, Mr Gary Maude, the head of Gencor's gold division, warns that the gold price is unlikely to rise at a rate which compensates for cost which compensates for cost increases at South Africa's mines for several months, and the group's planning for the next 12 months is based on this assumption.

The effect of improved prof-

its was most marked at the group's marginal mines where retrenchments and production retrenchments and production cuts have been implemented since the latter part of 1988 to stem a flood of red ink. West Rand Consolidated, Leslie, Bracken and Grootviei have all cut gold output by curbing the extraction of unprofitable ore and all four mines have reported higher June quarter profits.

Mr Maude was confident yesterday that West Rand Consoli-dated would eliminate losses accumulated over the past two quarters even if the gold price does not rise above its present level of R32,000 (\$11,800) per kg. Mine planning is based on the present gold price, Mr Maude said, to ensure planning focuses on cost controls to ensure profits. West Rand Consolidated is

the group's oldest mine but is planning to exploit dozens of gold reefs inside its property. In the Evander area Leslie has located a new, richer ore zone and bopes to prove its extent by the first quarter of 1990.

Buffelsfontein, the largest of the group's mines, is reevaluat-ing plans to establish a new tertiary shaft system. Origi-nally the cost was estimated at nally the cost was estimated at R1.18bn, which management believes is too great based on known ore reserves. The intention now is to prove reserves large enough to sustain mining for at least 15 years.

Stilfontein received a special dividend from its Chemwes uranium facility. representing

uranium facility, representing compensation paid by Eskom, the state-owned electricity util-ity, which last year cancelled a uranium purchasing contract with Chemwes

with Chemwes.

Beatrix, the newest of the operating mines, warns that gold recovery grades are likely to drop temporarily to about 5.5 grams per tonne in the first half of next year.

GENCOR GOLD QUARTERLIES								
	Gold produced (kg) Jun 89 Mar 89		Alter-tax profit (Rm) Jun 89 Mar 89		Earnings per share (cents) Jun 89 Mar 88			
Beatrix	3,301	3,294	43.5	18.2	33.5	15.0		
Bracken	555	544	1.5	0.5	8.5	2.2		
Buffelsfontein	3,684	3,521	20.8	15.3	157.6	113.6		
Grootviel	760	821	0.6	0.2	5.1	1.2		
Kinroes	9,001	3,000	20.9	19.8	76.0			
Leslie	735	690	3.9	1.2	16.0	72.6		
St. Helena	2.650	2.700	8.9	8.5		. 20		
Stitentoin	1,225	1,111	27.7	3.0	84.9	74.1		
Unisel	1.605	1.470	12.3		209.1	21.7		
W.Rand Cons	480	585		12.9	26.8	18.0		
Winkelhaak	2,801	2,840	0.8	(4.4)	8.0	(71.5)		
	2,001	2,340	26.6	21.6	70.9	84.1		

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EDR holders are informed of a dividend to holders of record date March 31.1989. The cash dividend payable is Yen 5.5 per common stock of Yen 50.00 per shere. EDR holders may now present Coupon No. 17 for payment of the dividend with a 15% withholding tax is subject to receipt of a valid affidavit of residence in a country having e tax treaty or agreement with Jepan giving benefit of the reduced withholding rate. Falling receipt of evalid affidavit Jepanese tax will be deducted at the rate of 20% of the gross dividend payable. The full rate of 20% will also be applied to any dividend cleimed after October 31, 1989.

Dividend payable Dividend payable
Gross less 15% Japanese less 20% Japanese
Dividend withholding tax withholding tax Denomination 1,000 shares \$39.85 \$33.87 Depositary Citibank, N.A.

Inserest Amount per U.S. 55,000,000 Note due 22nd January 1990 U.S. 6234,457,90 Agent: Citicorp Investment Sank (Luxembourg) S.A. 15 Avenue Marie Therese Credit Seiner First Beston Listited

Asea Brown Boveri senior post | Dow Jones elects president By John Wicks in Zurich

ASEA BROWN Boveri, the

Swiss-Swedish engineering concern with headquarters in Zurich, appointed Mr Gerhard Schulmeyer executive vice president and a member of the group executive management. Mr Schulmeyer, 51, is cur-rently executive vice president of Motorola and deputy to the

> US \$50,000,000 Banque Française Du Commerce Extérieur Floating Rate Notes Due 1991 9.375% per armore 20th July 1989 22nd January 1980

company's chief executive offi-cer for Europe. He will move to Zurich from the US to take up the new post on August 15.
At ABB, his main responsi-bility will be for the so-called industry segment. This \$2bn division covers the product groups of drives, process suto-mation, metallurgy, marine

and oil and gas.

He succeeds Mr Leonardo
Vannotti, who is to resign on
October 1. Mr Vannotti, who
has been with the ABB parent since the Asea merger with Brown Boveri and was previously an executive with the Swiss Brown Boveri company, will join the Swiss Anova group as managing director of the Unotec holding subsidiars. This is controlled by Mr Ste-phan Schmidheiny, the Swiss industrialist. This March, it

added to its portfolio a majority stake in Wild Leitz, the instruments manufacturer which has just announced a which has just announced a pendiog merger with Cambridge Instrument, of the UK.

Mr Schmidheiny is also a director of ABB and one of its biggest single shareholders. This indicates that Mr Vannotti's move is an amicable

one, as does the fact that Mr vannotti is to remain on the boards of ABB firms in Italy. However, Mr Percy Barnevik, ABB president and CEO, is to take on Mr Vannotti's executive responsibility for Italy and for the general contracting and power lines business sector.

PAKHOED, Dutch transport and tank storage group, has named Mr Ir. H.W. deo Ouden, 47, a managing director.

THE BOARD of Dow Jones, the

US business information group, elected Mr Peter Kann, publisher and editorial director of the Wall Street Journal, to the additional posts of presi-dent and chief operating officer of the Journal's Dow Jones

Mr Kann, 46, had been an executive vice president of Dow Jones. He replaces as president Mr Warren Phillips. who remains the Dow Jones chairman and chief executive. Mr William Dunn, 53, publisher of the Dow Jones informstion services group, was named chairman of that group. He plans to retire from Dow Jones in January 1991. Mr Carl Valenti, 50, presi-

dent of the information services group, has in addition been made publisher of that group, succeeding Mr Dunn.

He has also been promoted to senior vice president of Dow Jones from vice president.

AT ConAgra, the large Nebras-ka-based US food processing group, Mr Philip Fletcher has been elected president and chief operating officer, both

Mr Fletcher, 56, had been president and chief operating officer of the company's Pre-pared Food group and a mem-ber of ConAgra's office of the president. Mr Charles Harper remains chairman and chief executive officer.

ConAgra's sales exceeded \$11bn in its fiscal year to May.

CSC Consulting, the commercial professional services arm of Computer Sciences, a US-based computing services company with annual revenues of

\$1.3bn, named Mr Melvyn
Bergstein senior vice president.
Mr Bergstein has spent the
last 21 years with Arthur
Andersen, the international
accountancy and management
consultancy group. He held the
post of managing partner of its
technical services organisation,
with responsibility for the
firm's practices in information firm's practices in information technology worklwide, and was chairman of the board's Con-sulting Oversight Committee.

Bank of America NT and SA amnounced the appointment of Mr Timothy Bennett as director and manager of BA Fund Management in Luxembourg, with responsibility for the new BA Gateway Fund range of investment funds,

Mr Bennett was head of BA's international Trust Group (Private Banking) in Asia.

INTERNATIONAL COMPANIES AND FINANCE

Greece eyes Denison's oil stake

By A Correspondent

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i reist iC GREECE'S new Government has asked Denison Mines for an extension of 30 days to give it time to consider making an offer for the Canadian company's controlling stake in the North Aegean Petroleum Company (NAPC).

NAPC is the operator of Greece's only commercial oil and gas field at Primos, off the island of Thassos. According to diplomatic sources the Government's apparent intention to

ment's apparent intention to purchase Denison's share and hence gain absolute control of the north Aegean oil conces-sion, might ease the way towards a settlement over the Aegean continental shelf dis-

Aggest continents shell dispute with Turkey.

The previous Socialist Government of Mr Andreas Papendreon had made several attempts to take control and nationalise NAPC, in order to be able to control exploration activities in the magnitudically activities in the geographically sensitive area south-east of

Thassos.

Turkey claims that this area

By David Marsh in Bonn

NUKEM, THE scandal-plagued West German nuclear technol-ogy company which is largely withdrawing from the atomic sector, is still suffering from the cost of closing down its activities in the radioactive

fuel cycle.
The company made DM100m (\$53m) of provisions in its 1987

balance sheet to cover the cost of plant closures, decontamina-

tion and redundancies. It said yesterday that it made further operating losses of DM9m last

This was compensated by

DM37.5m in extraordinary earnings through sales of its shares in fuel labrication com-

panies. As a result, Nukem recorded net profits of DM10.3m in 1988 against losses of DM63.9m in 1987, on turnover of DM220m (DM228m).

RWE, the West German elec-

tric utility, now owns 55 per cent of Nukem after taking over 10 per cent previously held by imperial Smelting Cor-poration of London, a RTZ sub-sidiary. Other shareholders are

the Frankfurt metal groups

Deguesa, with 35 per cent, and

Nuclear plant closures

are still hurting Nukem

DEP-EKY, Greece's state oil emergrise, also holds stakes of

15 and 20 per cent respectively in the Prinos oil development and exploration areas, but does not at present have any partici-pation in the production side. Mr Michael Papakonstantinou, Greece's new industry and energy minister, said he has asked Denison for a 30-day extension to a deadline of July 14 which one of the bidders for

Denison's shareholding had given to the Toronto-based Asked whether the Greek Government is considering

Metallgesellschaft, with 10 per

cent.

• Feldmühle Nobel, the West

German paper, explosives and engineering conglomerate, said yesterday that group pre-tax profit nearly doubled to DM199m in the first six months of 1999 from DM97m a year-ear-

lier, Our Financial Staff write.
Group sales rose 9 per cent
to DM41bn, and the company

predicted group sales in 1969 would: jump 20 per cent to DM9.5hn from DM7.9hn in 1988.

Sales at the paper and synthetics divisions are expected to

achieve gains of 25 per cent in

In late May, Veba, the West

in earnings this year.

acquiring Denison's shares, the minister replied: "Yes, cer-tainly, otherwise we would not have asked for an extension." With only two weeks in office, Mr Papakonstantinou said he

Mr Papakonstantinou said he needs a few weeks to study the case and make a recommendation to the Government.

According to the minister DEP-EKY has already carried out an economic assessment of the Prinos oil and gas field with the assistance of Salomon Brothers, which was hired as consultants.

The minister said he

consultants.

The minister said he believed the Greek state was in a position to make a good offer for Denison's stake. He also confirmed that he met Mr Jake Fowler, Denison's president, last week to discuss Denison's decision to sell and the Greek Government's interest in aquiring their share.

ing their share.

In Toronto Denison said several offers had so far been received for its worldwide oil and gas deposits but it could neither confirm nor deny if a specific bid had been made for

its holding in NAPC.

But the company added: "We are looking towards a constructive co-operation with Greece's new Government, and we have every reason to believe that this relation will continue in the future." of fraud

the future . . . We hope to reach an agreement beneficial for both parties."

The Prince field is producing 18,000 barrels of oil per day, but output has been falling over the last three years. It reach on streem in 1981 producing

went on stream in 1981, producing 25,000 b/d after a US\$700m investment by its four foreign partners led by Denison.

Oil analysts note that by purchasing the stake Greece would be able to go ahead with plans for future exploration to plans for future exploration in a non-disputed offshore concesa non-disputed offshore conces-sion area east of Thassos which existing geophysical data show to be promising. In January DEP-EKY aunounced the finding of a major gas field in Epanomi, a few kilometres south-east of

Salonica, also in northern Greece.

COMPANY NEWS IN BRIEF

THE BOARD of Iti, the Stalian THE BOARD of hi, the Italian state holding company, yesterday finally approved a proposal which would allow Banca Commercials Italiana (Comit) and the French bank, Paribas, to acquire cross shareholdings of 2 per cent, writes John Wyles in Rome.

Approval was delayed three weeks ago when representatives of the governing parties in the Italian coalition all insisted on the need for a deeper analysis of Comit's international strategy. Yesterday's discussion produced a clear majority of eight in favour of the plan with two

 Fried. Krupp and Salzgitter, the West German steel groups, said they were no longer con-sidering wide-ranging coopera-tion and would work together only in steel refining, Reuter

German energy, oil and chemi-cals group, aumounced it had boosted its stake in Feldmühle The two companies said Nobel to 46 per cent and was considering making a tender offer for the remainder of Feldunits Krupp Stahl and Stahl-werke Peine Salzgitter would co-operate in steel refining and planned to expand activities in the towns of Bochum and Salzmuchle Nobel's outstanding Mr Heribert Blaschke, Feld-

mible's management board chairman, told the share-holder's meeting the company expects a further improvement "Although there are economically interesting aspects for a wider-ranging co-operation, both companies have agreed

not to continue their delibera-tions at the present time," they said. Industry sources said last month that Salzgitter and Krupp were considering a merger of their steel activities and parent companies.

• Neste, the Finnish state-owned oil and chemicals group, has bought 50 per cent of the shares in Nynäs Petro-leum from the Swedish Axel Johnson Group and the Swed-ish Investment Bank, it was announced yesterday, AP-DJ

reports.
The price was not immediately disclosed; the sale requires the approval of the Swedish Government. The remaining 50 per cent of Nynas is owned by the Venezuelan state oil company Petroleos de Venezuela.

The Venezuelan company said SIB Invest would sail 23 per cent in Nynas while Axel Johnson would sell its 27 per

cent stake.

Nynås had a 1988 turnover of Skr23bn crowns. Nynås is a refiner and marketer of asphalts and lubricants with two refineries in Sweden, one in Belgium and a large bitumen and lubricants distribution network covering Western

Officers at **Principal** accused

By David Owen in Toronto

AN INQUIRY into the collapse of the Principal Group, a C\$1.2bn (US\$1bn) Canadian C\$1.2bn (US\$1bn) Canadian financial services conglomerate, has alleged fraud against senior officers of the company and accused a provincial cabinet minister of negligence.

In a 629-page report, Mr William Code, a court-appointed inspector, said that the conduct of Mr Donald Comme, the group's founder and president.

group's founder and president, was a major cause of the ful-ure in June 1987 of First Inves-tors Corporation (FIC) and Associated Investors of Can-ada (AIC), two Principal sub-stidiaries

The evidence tends to show that Mr Cormie "deliberately permitted the companies to disguise their true financial situation," Mr Code concluded. It suggests that the actions of Mr Cormie and Mr Kenneth Mariin, senior vice president, were "both dishonest and frandulent," he added.

frandulent," he added.

The report also concluded that Ms Counte Osterman, former Alberta consumer and corporate affairs minister, was "in breach of her public duty" in not emorcing legislation to close down the two units in the mid-1980s. Though Ms Osterman did not act fraudulently or dishonestly, her conlently or dishonestly, her con-duct was "neglectful ... even reckless," Mr Code said. Government regulations were "inappropriate or outdated," he added.

Edmonton-based Principal declared bankruptcy in August 1987, leaving more than 60,000 investors about C\$120m out of pocket. These investors have since been reimbursed by liquidators in the amount of approximately 45 cents in the

Ward White move

WARD WHITE, the UK retailer resisting an £300m (\$1.30m) bid from Boots, yesterday forecast that its interim pre-inx profits for the six months to July 31 would be £32m a 19 per carr would be £33m, a 19 per cent increase on the previous first half. Boots is offering 400p per share, writes Philip Coggan in London.

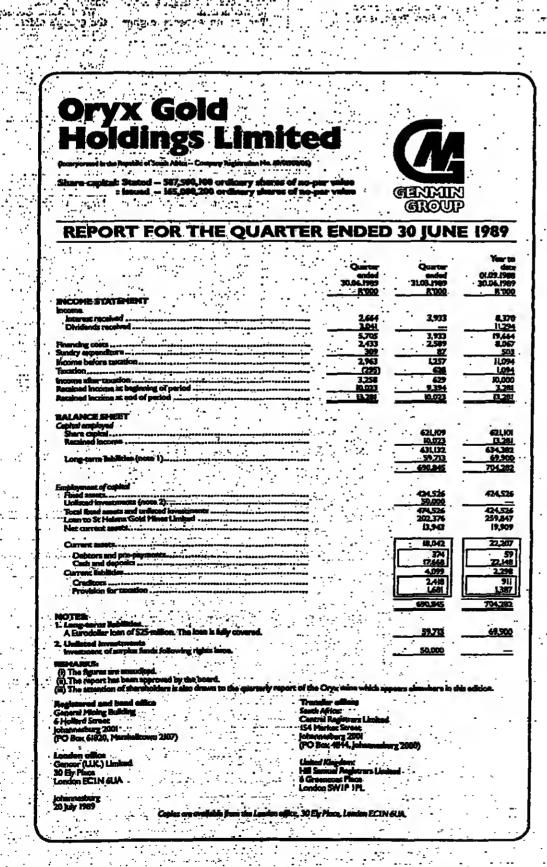


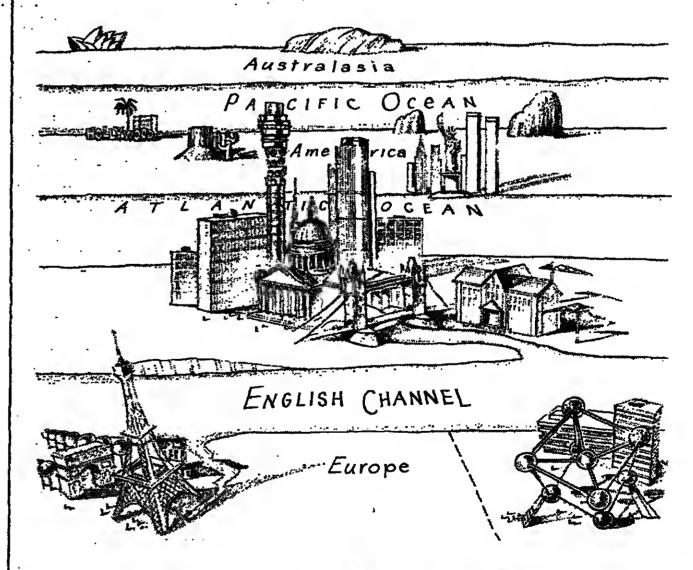
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FINANCIAL TIMES

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At Debenham Tewson & Chinnocks' offices around the world we have specialists in every aspect of commercial property.

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clients with overseas interests. Our staff, wherever they are based, regutarty work together in teams using their detailed knowledge of local markets. The result is integrated advice based on the most up-to-date information. . So wherever you have property

interests, you can depend on Debenham Tewson & Chinnocks for a rapid and informed response.



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Johannosburg 20 July 1989

Beatrix Mines Limited

Share capital: Authorised -- 150,000,000 ordinary shares of no-par value : issued -- 85,000,000 ordinary shares of no-par value



REPORT FOR THE QUARTER ENDED 30 JUNE 1989

	Quarter ended 30.06.1989 R1000	Quarter ended 3L03.1989 R'000	Year o de 01,09,196 30,06,198 R 100
INCOME STATEMENT			
Income			
Interest received		1,126	3,86
Royalty	15.851	15,468	52,07
Dividends		9,641	43,77
	32,048	26,235	99,67
Incerest paid and sundry expenditure - net		350	
Income before taxation	31,908	25,883	97.66
Taxation		8,013	26.5
Income after cavation	23,454	17,872	71,15
Appropriation	(5,100) 21,870	5,100 40,548	Ю,7
Ketswee succuse at negations of beauty	50.424	53.320	81.83
Distributable income		31,450	31,45
		21,870	50.43
Retained income at end of period	30,727	21,8/0	30,74
BALANCE SHEET			
Capital employed		****	***
Share capital		131,466	131,46
Non-distributable reserve		5,100 21,870	50.42
Record mone		158,436	181.89
		130,730	, sump
Employment of capital			77.84
Fixed assets.	•••••••	77,843 67,709	52,04
Loan to Buffelsfontein Gold Mining Company Limited		145.552	129,88
Net current assets		12,884	52.00
		49,023	65.15
Current assets		36,139	13,15
Current liabilities			
		158,436	181.89
Long-term loans			
Balance at end of period		_	-
Repayments due within one year		***	
Interest paid during the period		282	1,62
The loan to Buffeldonotin Gold Mining Company Umited taxation saving in Buffeldontein once the taxation assesses	will be repaid by the further laws of curve went has been finalised.	daztve preference sh	eres and
REMARKS:			
(i) The figures are unaudited. (ii) The report has been approved by the board.			
(iii) The accencion of shareholders is also drawn to the qua	create report of the Restrict mine which at	oceans elsewhere in	this edition.
(ii) in account a manage to the arm of the	The state of the s		
Registered and head office	Transfer offices		
General Mining Building	South Africa:		
6 Hollard Street	Central Registrars Limited	2001	
Johannesburg 2001	IS4 Market Street, Johannes		
(PO Box 61820, Marshalltown 2107)	(PO Box 4844, Johannesbury	(ZUUU)	
London office	United Kingdom:		
Gencor (U.K.) Limited	Hill Samuel Registrars Limite		
30 Ely Place	6 Greencoat Place, London S	WIP IPL	
London ECIN 6UA			

Notice of Redemption To the Holders of

Copies are available from the London office, 30 Ely Place, Landon EC1N 6LIA

Alcan Aluminium Limited (formerly Aluminum Company of Canada, Limited)

141/2% Notes due 1992 Cusip No. 022267AQ1*

NOTICE IS HEREBY GIVEN, pursuant to the terms of the ladenture dated as of September 1, Limited) (the "Corporation") and Manufacturers Hanover Trust Company (the "Trustee") that the Corporation will on September 1, 1989 (the "Redemption Date") tedeem all of its presently outstanding 1414% Notes, due 1992 (the "Notes") by payment in lawful money of the United States of America to the holders thereof of the redemption price stipulated in the conditions attaching thereto, namely 100% of the principal amount thereof plus accrued and unpaid interest plus accrued and unpaid interest. Limited (formerly known as a

to but not including the Redemption Date.

Payment of the redemption price will be made to the holders of the Notes against surrender of the Notes, together with the interest coupons pertaining thereto maturing after the Redemption Date. The face value of any missing unmatured coupons will be deducted from the payment. Payment will be made at Citibank, N.A., Corporate Trust Services, 111 Wall Street, 5th Floor,

The funds required for the payment of the redemption price will be deposited on or before September 1, 1989 with Citibank, N.A. Should any of the holders of the Notes fail to present their Notes on or before September 1, 1989 or fail to accept payment of the redemption moneys payable in respect thereof or give such receipt therefor, if any, as the Trustee may require, then the said redemption moneys shall be set aside for any such holder with Citibank, N.A. Such setting aside shall for all purposes be deemed a payment to any such holder of the sum so set setting aside shall for all purposes be deemed a payment to any such holder of the sum so set aside; and to that extent the said Notes and coupons shall thereafter not be considered as outstanding. The said Noteholders shall have no other right except to receive payment out of the moneys so set aside upon surrender to Citibank, N.A. of their Notes and coupons and the giving of the

Notice is further given that interest in respect of the Notes will cease to accrue on and after

the Redemption Date.

All Notes so redeemed shall forthwith be cancelled.

SUMMARY OF RESULTS

Earnings per ordinary share

Dividends per ordinary share

Turnover

Profit before tax

Profit after tax

Montreal, July 3, 1989 *This CUSIP number has been assigned by Standard & Poor's Corporation and is included solely for the convenience of the holders. Neither Alcan Aluminium Limited, nor the Trustee shall be responsible for the selection or use of this CUSIP number, nor is any representation made as to its correctness on the Notes or as indicated in any redemption notice.

NOTICE Withholding of 20% of gross redemption proceeds of any payment made within the United States may be required by the Interest and Dividend Tax Compliance Act of 1983 unless the Paying Agent has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the Payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent when presenting your securities.

Creighton Laboratories

31.3.89

8,474

1,025

707

16.6p

"The current year continues to be affected by weakness

in the United States but the Board is confident that the

establishment of new accounts and the growth of our

Report and Accounts available (after 2 August) from the Secretary,

Water Lane, Storrington, West Sussex RH20 3DP.

The contents of this statement have been approved for the purposes of Section 57 of the Financial Services Act by Peat Marwick McLintock who are authorised to carry on investment business by the Institute of Chartered Accountains in England and Wales.

own brands will produce a satisfactory result."

31.3.88

£'000

6,864

1,261

872

23.2p

5.4p

RETAILING

The **Financial** Times proposes to publish this survey on:

12th September 1989

For a full editorial synopsis and advertisement details, please contact:

.Ionathan Wallis on 01-873 3565

or write to him at:

Number One Southwark Bridge London SE1 9HL

FINANCIAL TIMES

FIRST AUSTRALIA PRIME COMPANY LIMITED

Issued by Morgan Guaranty Trust Company of New York

Payment of coupon of 8 of the Inter-national Depositary Receipts will be made in US delians on or after July 24th 1998 at the rate of US Scients per ordinary share at the following offices of Morgan Guaranty Trust Gompany of New York:

Brussels, 35, avenue des Arts New York, 30, West Broadway London, 1, Angel Court Frankfurt, 44-46, Mainzer Land-

The dividend is not subject to any Australian tax. The Beiglan with-holding tax will be applicable to IDR Holders presenting their coupers to the office of the Depositary without the appropriate Beiglan non regi-dent certificate.

Morgen Gueranty Trust Company of New York Brussels Office, as Depolitary

FLASH LIMITED SERIES B U.S.\$30,200,000 Secured Floating

Rate Notes Due 1993 In accordance with the conditions of the notes, notice is hereby given that for the six-mouth period 20th July 1989 to 22nd January 1990 (186 days) the notes will carry an interest rate of 9.085% p.a. Relevant interest payments will have follower.

Notes of U.S.\$100,000-00 U.S.\$4693-91 per compon THE SANWA BANK LIMITED Agent Bank



Due January 1993

Interest Rate

87/8% per annum

20th July 1989 22nd January 1990

Interest Amount per

U.S. \$10,000 Note due 22nd January 1990

INTERNATIONAL CAPITAL MARKETS

Retail investors snap up World Bank A\$75m issue

By Andrew Freeman

EUROBOND MARKETS lacked direction yesterday and new-issue activity was confined to specific opportunities. The encouraging US consumer price index figure left second-ary market Eurodollar bonds

broadly unaffected.

Against a dull background,
Hambros Bank brought the World Bank's A\$75m issue to a fine reception. The five-year deal carried a 14% per cent coupon and was priced at 102 to offer an attractive yield pick-up over existing World

Bank paper.

The bonds were quoted by Hambros at less 1% hid, comfortably inside 1% per cent fees. Demand was strong from the European retail network as well as professional fund man-An official said the deal was

quickly sold out, and con-firmed that the proceeds were swapped.
The issue had to overcome a hig drop in coupon levels since the last five-year Australian dollar deal by the State Bank of Victoria, which carried a 15% per cent coupon. However, the strength of the borrower's

name was enough to persuade investors to buy the paper without real opposition.
In Switzerland the market reveiled as Swiss Bank Corporation launched the first tri-

Bonower STERLING Leeds Permanent B.S.(a)

BCUs Osst. Kontrollbank(a)

AUSTRALIAN DOLLARS

SWISS FRANCS IBM International Fin.(a)
Absugi Nylon Ind.(b)

SWEDISH KRONA SIGAB(a)

Thermo Process Systems(c)§◆
Talaho Marine & Fire(d)◆◆

C.N.C.A.9% 93.
C.N.C.A.9% 93.
Credit National 814 93.
Credit National 814 93.
Credit National 915 92.
Deli-Ichi Kan 915 92.
Descart 715 92.
E.E.C. 79.
E.E.C. 714 95.
E.E.C. 714 95.
E.E.C. 714 95.
E.E.C. 19 93.
E.E.C. 19 93.
E.E.C. 19 97.
Earofina 1012 93.
Elex. 08 France 9 98.
Elex. 08 France 9 98.
Elex. 08 France 9 99.
Finitard 714 97.
Finitard 9 96.
Finitard 9 97.
Finitard 9 98.
Finitard 9 9

Average price change.

BEUTSCHE MARK
STRAIGHTS
JASIAN Dev. BK. 6 94.
Austriz 6 la 99
Bank of Tokyo 5-la 93.
Cerdin Foocler 6 la 99.
E. B. 6 l

PESETAS

Eurofima(a)

US DOLLARS

corporate bond issue seen by traders since May 1988. The fact that the borrower was IBM International Finance was doubly welcome, as IBM last borrowed in Swiss

INTERNATIONAL BONDS

francs in 1986. However, the

SFr140m three-year deal, which carried a 5% per cent coupon, was judged as tightly priced by rival syndicate managers.

According to SBC the bonds were trading just inside fees at less 1% bid amid mixed demand. The proceeds were swapped into several curren-

Elsewhere, progress proved hard. Paribas Capital Markets launched an Eculion five-year issue for Oesterreichische Kontrollbank (OKB), bot found limited interest among retail investors anticipating over-

investors anticipating over-supply of five-year paper. The lead manager was quot-ing the paper at less 2 bid, out-side underwriting commissions of 1% per cent. In late trading the price slipped further to less 2.05 bid. The issus proceeds were swapped into fixed-rate yen via floating-rate US dol-lars. Banque Nationals de Paris was the counterparty on one leg of the swap. one leg of the swap. ple-A rated straight-maturity

NEW INTERNATIONAL BOND ISSUES

101.05

101%

102

101

101%

FT INTERNATIONAL BOND SERVICE

1991

1994

1984

1993

1994

125

144

11%

113

100

16bn

500

300 103 \(\frac{1}{2} \) 105 \(\frac{1}{2} \) 0 -0\(\frac{1}{2}

Average price change... On day 0 on week -0 %

SWBS FRANC
STRAIGHTS

African Dev. Br. 5 96. 150 1944 95 0 403 5.91

Asfinay 5 03. 100 1924; 954 +04 -04 5.43

8. F. C. E. 44; 98. 200 193 94 +04 -04 6.43

8. M. W. Fin Neth. 5 13. 150 1884 88; 403 +043 5.92

Britansis B/S. 44; 94. 100 1912; 114 -012 403 6.29

CR. Int. W. W. 3 93. 125 195 96 -24 -14 4.24

Credit Lyonnais 44; 00. 160 1904; 91 -04 403; 5.93

E. I.8 43; 98. 150 1883; 89 +04 -014 6.59

Kobe City 45; 98. 150 1823; 94 003 5.68

Leed: Perm. B/S. 41; 93. 200 1991; 94 403; 0 6.03

Maikaysia 54; 98. 100 1904; 9012 -04 -25; 6.71

Marxwell Comm Cry. 5 95; 150 190 1904; 9012 -04 -25; 6.71

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Mattorid Comm Cry. 5 95; 150 1904; 9012 -04 -25; 6.71

Mattorid Comm Cry. 5 95; 150 1904; 9012 -04 -25; 6.71

Mattorid Comm Cry.

Leeds Permanent Building Society became the first issuer of a two-year Eurosterling deal.

with several traders commenting that building society names were hard to sell abroad. The lead manager was quoting the bonds on fees at less 1% bid.

Two small sectors were tapped. The SKr500m issue for Sigab was judged as wall-priced and was trading at less 1% bid amid encouraging Japanese interest in the paper, according to the lead manager. The swap-related Matador issue for Eurofima was offered to yield 11.65 per cent at launch and traded strongly amid widespread European

demand, improving to yield 11.41 per cent at the close. 11.41 per cent at the close.

Banqoe Paribas (Suisse) met with co-managers of two bond issues for Southmark, the US corporation which filed for bankruptcy last Friday. The bank is waiting for Southmark's re-organisation plans before calling a meeting of bondholders to decide a course of action.

11/2/5 Baring Brothers

1%/14 Hambros Bank

14 SBC

12/14 Svenska Int.

No information available-previous day's price

† Only one market maker supplied a price

Straight Bonds: The yield is the yield to radistration of the mid-price; the amount issued is in millions of currency units except for You bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shows is minimum. Caller Date next coupon becomes effective. Spread= Margin above six-month offered rate (streamonth; Sabove mean rate) for US dollars. G.cpn=The current coupon.

coupen.

Convertible Bonds: Denominated in dollars unless otherwise indicated.

Cing. day = Change on day. Criv date = First date of conversion into shares. Cav. price = Nominal amount of bond per share expressed recurrency of share at conversion rate fixed at issue. Prem = Percentage premium of the convented feather price of acquiring shares via the bond over the most recent price of the shares.

Carr. Carr
data price Said Office Carr.
State Carr.
St

Zentrspk. 13% 93 AS.

FLSATING RATE

MOZES

Alliance & Leic. Bid 94 S.
Bank of Greece 99 US.
Belgiann 91 US.
Cheft. & Gloucenter 94 S.
Credit Foncier 98 US.
Dresdeer Finance 99 DAI.
EEC 3 92 OM.

Malifax BS 94 S.
Inst. In Industry 99 S.
Leeds Perm. 8/S, 94 S.
Midhand Bank 01 S.
Milk Mikt. Brd. 5 93 S.
New Zealand 5 97 S.
State BK. New. 96 US.

Woohwich 5 95 S.

Woohwich 5 95 S.

CONVERTIBLE
BOOKS
ALONG 6's 02 US.
ADDR. Brands 7's 02 US.
CBS. Inc. 5 02 US.
Primerica 5's 02 US.
Eng. China Clay 6's 03 €.
Fujitsu 3 99 US.
Ladforde 5's 04 €.
Ladforde 5's 04 €.
Allong Cape 6's 04 €.
Allong Cape 6's 04 €.
Allong Cape 6's 04 €.

Land Sees, 6-1, 102 f.
Minorita Camora 24, 94084.
Mich to 5-7, 02 U.S.
Mittonisida Bis. 21-, 04US.
Mistonisida Bis. 21-, 02 US.
Randes Hoods 4-, 02 G.
Santchild Seed. 6-3, 02 E.
Santchild Seed. 6-3, 03 E.
Santikumo Bank. 3-1, 04 US.
Santikumo Bank. 3-1, 04 US.
Usa. Mistonisida Bis. 10 US.
W.R. Grazz 6-1, 02 US.
W.R. Grazz 6-1, 02 US.

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12/11 Paribas Capital Markets

112/11 Banco Bilbao Vizcaya

212/112 Shearson Lehman Hutton 214/112 Nomura Int.

Closing prices on July 19
Change on Bid Offer day week Yield 101-12 1013 + 404 - 054 5.26 101 101 1014 0 -04 5.30 984 981 403 -05 5.37 994 993 0 -0-6 5.27 99 993 001 -05 5.37 994 993 0 0 5.42 1064 1064 1064 0 5.36 974 983 0 0 5.42 1064 1064 1064 0 5.36 974 0 984 0 0 5.42 1064 1064 1064 0 5.36 974 0 0 5.42

launching £75m of 12% per cant bonds via Baring Brothers. The issue was aimed almost entirely at non-UK investors, as UK institutions have direct access to blobahave direct access to higher interest rates on the money markets. The response was average,

membership for foreign securi-ties firms has held its first meeting, aware that the Brit-ish Government is impatiently awaiting the admission of two firms, Barclays de Zoete Wedd (BZW) and Jamss Capel A TSE official said the meet ing was a "get-to-know-you" session and that more substan-

session and that more substantive discussions would take place later. Mrs Margaret Thatcher has said the matter should be resolved by the time she visits Tokyo in September. Officials at the exchange are apparently keen to accommodate the British request but are having difficulty in devis-ing solutions to what they describe as a serious space problem.

The committee is likely to

Tokyo holds

meeting on

firms' seats

A TOKYO Stock Exchange

committee examining new

By Robert Thomson

in Tokyo

foreign

assess the results of a study on increased computerisation of trading and to discuss a new form of second-class member-ship which would give newly admitted foreign firms limited

TSE failed to offer BZW and James Capel memberships in December 1987, when 16 other foreign firms were given

seats.
Since then, British officials have asked their Japanese

have asked their Japanese counterparts at virtually every bilateral meeting to find room for the two firms.

At a meeting in Paris several days ago, Mrs Thatcher again urged Mr Sousuke Une, the Japanese Prime Minister, to settle the matter.

Offshore banks gain ground in Singapore

SINGAPORE'S locally incorporated banks have lost much of their domestic market share to foreign competitors, in spite of curbs on foreign banks, Reuter reports,

According to figures released by the Monetary Authority of Singapore (MAS), the market share of the 13 locally incorporated banks in terms of assets/liabilities fell to 8.4 per cent in 1988, from 41.1 per cent in 1970. Local bank deposits fell to

25.5 per cent of the market last year from 40.8 per cent in 1970. Loans fell to 11.8 per cent from 40.8 per cent. In 1971 Singapore restricted the entry of foreign banks intending to conduct domestic banking.

The restrictions included a ban on the opening of

Two years later, however, the MAS allowed a new category of foreign bank - offshore banks - to trade in the Asian dollar market. The market share of offshore banks bas climbed steadily since then. In terms of assets/liabilities the banks

comprised 62.6 per cent of the market in 1988, up from 42.6 per cent in 1980. Bankers said that foreign banks, attracted by tax incentives and competitive rates, were tapping the Asian dollar market for funds to repay existing debts and finance capital investment projects.

There were 136 commercial

banks in Singapore in March 1989. Of these, 13 were local banks, 22 were foreign banks with full licences, 14 were foreign banks with restricted licences and 87 were offshore

Record quarter for medium-term note filings in US

MEDIUM-TERM note filings in the US surged to a record \$40.3hm in the second quarter of 1989, almost double the \$20.5hm filed in the first quarter, AP-DJ reports.

Merrill Lynch Capital Markets said the \$60.9hm of new filings in the first half exceeded the year-earlier volume by more than 30 per cent and was on target to break the

and was on target to break the full-year record of \$89.5hu, set in 1988.

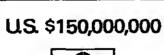
Banks and finance compa-nies accounted for more than 30 per cent of the second-quar-ter total.

Merrill said car finance com-panies relied heavily on the medium-term note market to fund aggressive loan incentive programmes cheaper than they could have done in the asset-backed market.

US banks also relied far more heavily on medium-term Large CDs outstanding were flat from late April to the end

of June.

Domestic bank medium-term note programmes juned to \$9bn in the second quarter, from \$3.4bn in the January-March period.



Crédit Lyonnais

Floating Rate Notes

Interest Period

U.S. \$458.54

Credit Suisse First Boston Limited Reference Agent



been putting the Arab world at your fingertips

When we opened a branch in London in 1979, our objective was straightforward.

It was to offer a new kind of international banking service – combining the technology and professionalism of the major international institutions with a unique wealth of financial and business experience in the Arab world.

Ten years on, the objective is unaltered.

We provide merchant and wholesale commercial banking services, including trade finance,

foreign exchange and investment advice.

We can offer you invaluable guidance on business opportunities, regulatory requirements and the economic outlook throughout the seven Gulf States.

And we can do all this through a growing presence in financial centres that include Bahrain, Singapore,

New York, Tokyo and Frankfurt.

One thing, however, has changed.

We face our second decade with even more confidence than the first.



Kubota wins

control of

By Our Financial Staff

KUBOTA, the Japanese

construction equipment group, has acquired a controlling

interest in a tractor manufa

turer in Spain by buying a

large stake from Nissan Motor Iberica, the Spanish subsidiary

Kubota has increased its stake from 15 to 55 per cent in

Ebro Kubota, a Madrid-based

joint venture established in

1986 by Knbota, the Japanese trading house Marubeni and Nissan Motor Iberica to get

around Spain's restrictions on

Spanish

venture

These Securities having been sold, this announcement appears as a matter of record only.

New Issue



THE TORONTO-DOMINION BANK

Can. \$100,000,000

11 %% Deposit Notes due March 21, 1994

Issue Price: 101.90%

ScotiaMcLeod Inc.

Banque Bruxelles Lambert S.A.

Wood Gundy Inc.

Westdeutsche Genossenschafts-Zentralbank eG

Generale Bank

Merrill Lynch International & Co.

The Nikko Securities Co., (Europe) Ltd.

Banque Internationale à Luxembourg S.A.

Shearson Lehman Hutton International

Dresdner Bank

Mitsubishi Finance International Limited

Amsterdam-Rotterdam Bank N.V.

Bayerische Landesbank Girozentrale

Union Bank of Switzerland (Securities) Limited

These Securities having been sold, this announcement appears as a matter of record only

New Issue



Canadian Imperial **Bank of Commerce**

Canadian Imperial Bank of Commerce

Singapore branch

Can. \$100,000,000

113% Deposit Notes due April 27, 1994

Issue Price: 101.55%

ScotiaNcLeod Inc.

Goldman Sachs International Limited

Werrill Lynch International Limited

Banque Bruxelles Lambert S.A. Shearson Lehman Hutton International

Westdeutsche Genossenschafts-Zentralbank eG

Banque Générale du Luxembourg S.A.

BNP Capital Markets Limited

Mitsubishi Finance International Limited

Commerzbank Aktiengesellschaft RBC Dominion Securities International

> Generale Bank Société Générale

Bankers Trust International Limited

Banque Internationale à Luxembourg S.A.

Daiwa Europe Limited

Vereins- und Westbank Aktiengesellschaft

April 1989

These Securities having been sold, this announcement appears as a matter of record only. New Issue



Ford Motor Credit Company

Cdn \$125,000,000

11 1/2% Notes due May 11, 1992

Issue Price: 101.90%

ScotiaMcLeod Inc. Banque Paribas Capital Markets Limited

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INTERNATIONAL COMPANIES AND FINANCE

Brazil's Coke bottlers in fight for price increases

A DIFFERENT type of Cola war has broken out in the world's third largest soft drink market, Brazil's 33 Coca-Cola bottlers are angry over the Government's refusal to grant them what they regard as acceptable price increases.

The Coca-Cola franchisees.

who hold 55 per cent of the 5.5bn litre a year Brazilian soft drinks market, claim that soaring inflation, coopled with an array of government price controls, has resulted in a steep reduction in the real price of their products. In June alone inflation rose 25 per cent.

Mr Carlos Fernando Motta, president of the bottlers' association, said that as a result of inflation real prices had been driven down by 60 per cent. He added: "In June the Government allowed the bottlers to

increase prices by only 20 per

By Our Financial Staff

PRIMERICA, the US financial

conglomerate created from the shell of American Can, raised

its second-quarter net earnings

to \$63.4m, or 65 cents a share, from \$31.9m, or 71 cents a share, in the same period last

year. Revenues rose to \$1.4bn from \$238.1m last year.

The second-quarter figures

reflect the combined operations of "Old Primerica"

and Commercial Credit,

acquired by Primerica in

August, and are thus not com-

parable with the 1988 figures. They also include a \$7.4m pre-

tax gain from the sale of Com-

mercial Credit's Baltimore

By John Wicks in Zurich

SECURITIES turnover in Zurich amounted to a total of

This sum covers all securi-

Mr Sanford Weill, Primerica's chairman and chief execu-tive, said be was pleased with cent." This outraged the bot-tiers who proceeded to award themselves a 38 par cent adjustment, which, they claim,

barely covers operating costs.

The Government has retaliated by launching a police investigation. The Finance Ministry says it will unleash a horde of tax inspectors to study the bottlers' accounts to eke out the smallest misde-meanour and impose the maxi-mum fine of \$176,120 against

the companies.

The ministry maintains that the bottlers' move, if it went unpunished, could set a dangerous precedent for others who would like to break price Mr Motta counters that the

the performance. For example,

Smith Barney in the invest-ment services arm produced

earnings of \$14m following an

operating loss in the same period last year, but retail bro-

kerage commissions were strong this year. Earnings also benefited from the one-month

contribution of the Drexel

Burnham retail hrokerage offices acquired during the

Mr Weill added that Primer-

ica would pursue its proposal to acquire the publicly owned sbares of AL Williams, its

majority-owned life insurance

subsidiary, which contributed \$26m to second-quarter earn-

ings. However, it plans to keep its Fingerhnt direct mail mar-keting subsidiary, which it had

ties transactions registered in

Government itself has not obeyed the law, and insists that price control legislation allows companies to pass on

the rising cost of inputs to cus-

He added that price controls agencies were "little more than an authoritarian remnant from the period of military rule." The bottlers maintain that the law was intended to control prices of basic goods and items produced by monopolies or oli-

But the Coca-Cola bottlers are not the first to lash out against price controls. In 1986, McDonalds signalled the end of the Cruzado Plan, Brazil's first emergency anti-inflation policy, by giving away hamburg-ers in protest at controls. The following year, Autola-

tina, which comprises Ford and Volkswagen's Brazilian subsidiaries, defied controls during the second inflation pol-icy and won. This year it is

Coca-Cola's turn.

previously tried to sell. "No

appropriate buyer, both in terms of financial consider-

ation to Primerica and busi-

ness compatibility with Finger-hut, has presented itself."

compared with \$198.4m in 1988.

was from 297,046 to 372,528.

tractor imports.

Kubota has acquired 40 per cent from the Nissan subsidiary, whose stake falls from 80 to 40 per cent as a result. Maruheni's stake stays unchanged at 5 per cent. Through the deal the capital Merger lifts US finance house

of Ebro Kubota will be dou-bled to Pta4.4bn (\$36.7m).

• Compania Espanola de Petroleos (Cepsa), Spain's largest private sector oil refiner, and Dairdppon Ink and Chemicals have agreed to merge their resin interests in

Europe. Cepsa said the two compa nies would pool their resin interests in a joint company called Reichhold Chemie, with Dainippon as majority share-

 Net earnings for Cincinnati Milacron, a US machine tool and industrial equipment manufacturer, fell to \$5.2m, or 21 The joint company would cents a share, in the second quarter, compared with \$8.3m, bring together Dainippen's interests in Switzerland, Ausor 34 cents a share, last year. tria and France with Cepsa's Spanish subsidiary Reginas Net earnings for this year include tax credits of \$1.22m in Sinteticas. the quarter, compared with \$2.4m in the same period last year. Revenues fell to \$199.5m

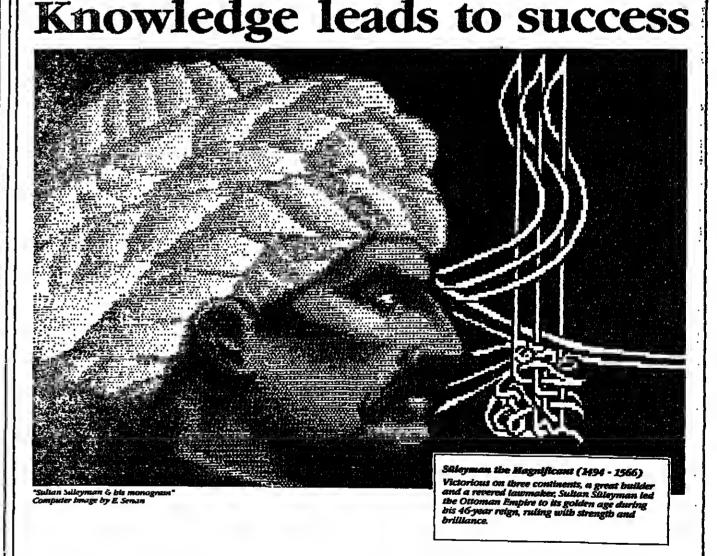
Following the merger, which is subject to approval by appropriate authorities, Rei-chhold would have turnover in 1989 of Pta24bn.

The decline reflected "production delays and other temporary difficulties," said Mr James Geier, chairman. Goodyear posts \$43m charge Securities turnover in Zurich up 11%

GOODYEAR Tire & Rubber, the world's largest tyre company, expects to record an after-tax charge of \$43m on the sale of 435 miles of 30-inch pipe by All American Pipeline, its oil transportation unit,

The offshoot sold about \$70m worth of pipe to Coastal, the US energy supply com-

Stock-market capitalisation of Swiss and Liechtenstein the canton of Zurich, both on and off the stock exchange. SFr320.8bn (\$194bn) in the first half of this year, or 11.3 per cent more than the SFr288.3bn shares listed on the Zurich Reuter reports. The number of bargains exchange rose by 16.1 per cent from the end of last year to mid-1989, increasing from SFr211.07bn to SFr244.97bn. recorded in the six-month period also increased by 25.4 per cent compared with the year before. The actual rise booked for the corresponding



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Treasuries rally smartly as June inflation slows

By Janet Bush in New York and Katharine Campbell in London

AN ENCOURAGING set of consumer prices data vesterday triggered a smart rally in US Treasury bond prices but did not immediately prompt the further easing in monetary conditions that US financial markets are looking for.

At midsession the Treasury's benchmark long bond was quoted about 1/2 point higher for a yield of 8.14 per cent. The CPI rose 0.2 per cent in June, both overall and once

food and energy prices were stripped out. Economists had forecast an overall rise in the CPI of 0.4 per cent and was seen as paving the way for the next andge down in the Fed funds rate. The CPI rose 0.6 per cent in May while the producer prices index fell 0.1 per cent in

The IIS Federal Reserve vesterday announced five day matched sales to drain liquidlty from the money market. strongly suggesting no change in conditions yet. Nevertheless, economists expect the Fed to initiate another easing move despite the fact that the under-lying rate of inflation is still well above 5 per cent.

The betting is that the Fed will continue its very gradual move to loosen credit conditions and the next policy eas-ing may not come until August. Fed funds traded steadily yesterday at 9% per

The focus of financial markets is today's Humphrey Hawkins testimony to Con-gress by Mr Alan Greenspan, Fed chairman, in which he will discuss thinking on monetary policy.

The balance of probabilities in favour of or against lower interest rates is clearly the prime obsession of the bond market. Yesterday's news of a substantial rise ln bousing

GOVERNMENT BONDS

starts in June, against expectations of a small decline, was brushed aside as the market concentrated on the bullish implications of the CPI release.

■ RETAIL activity has more or less dried up in the UK government bond market and, if any-thing, foreign investors, sitting on healthy profits in the bonds and the currency, are gingerly selling. About the only factor to move the market yesterday was the US CPI figure, which showed the smallest increase m 16 months. Gilts moved up a few ticks, but failed to hold those levels, closing weaker on

the day.

On Liffe the September long gilt finished at 95-21, ²/₁ point weaker in very quiet trading with only 9,000 contracts changing hands.

IT WAS a day of directionless trading in the German market. Traders spoke of a complete absence of buying interest, at least in the more liquid stocks, but noted there was no selling

sure either. Yesterday's repurchase agreement was somewbat tighter than expected. While DM18.5hn was draining from the market, the new two-tranche allocation only amounted to DM16.8hn, which

		Coupon	Red Date	Price	Change	Yleid	Week ego	Month
UK GILTS		13.500 8.750 9.000	9/92 1/98 10/08	108-19 98-30 87-24	-5/32 -6/32 -5/32	10.97 10.30 9.36	11.14 10.36 9.39	11.53 10.69 8.65
US TREA	SURY .	8.125 8.875	5/99 2/19	106-29 108-03	+11/32 +26/32	8.09 8.15	8.00 8.04	8.34 2.32
JAPAN	No 111 No 2	4.600 5.700	6/98 3/07	96.1086 106,2692	+ 0.059 -0.001	5.24 5.03	5.20 5.04	5.52 5.20
GERMANY		7.000	2/99	101.9500	-0.050	8.70	6.62	8.72
FRANCE	BTAN QAT	2.000 8.125	1/94 5/99	97,0321 97.1700	+8.247 +8.290	8.80 8.55	8.84 8.57	8.91 8.65
CANADA	•	18,250	12/98	105,2500	+0.100	9.39	9,31	9.48
NETHERL	ANDS	7.000	3/99	99,3000	-0,020	7.18	7.04	7,13
AUSTRAL	IA	12,000	7/99	92.2515	+0.179	13,43	13.42	13,85

Technical Data/ATLAS Price Sources

slightly depressed sentiment among bond dealers. However, one trader noted that his colleagues had generally overlooked the repayment today by the Bundesbank of DM3.9bn

worth of Bundesobligationen. At the fixings, prices were generally unchanged. The federal 6% per cent of 1999 was priced at 100.30 — Tuesday's level — to yield 6.71 per cent.

Later in the day the better than expected US CPI took the market up fractionally, helped

On Liffe the September bund future closed at 95-23 compared with 95-16 the previous day.

by a hint of weakness for the

TERMS on the new Dutch guilder state loan, announced late on Tuesday evening, surprised the market as the issue was larger than expected. The Government issued Fi 3bn worth of 10-year paper, with a 7 per cent coupon and priced at 99.60, giving a yield of 7.11 per

The bond market was mildly depressed by the German repurchase agreement, and traded down some 10 cents during the course of the day. The new loan was quoted at 99.25 in late trading.

THE Canadian market has been lagging the US market in the rally of the past two months, so that spreads between the two markets are at historic highs. While yields on five-year Canadian bonds are habitually between 90 and 130 basis points above equivalent US Treasuries, they cur-rently stand at 150 basis points. Yields on 10-year stock are 130 basis points over US

TURKEY'S central bank sold at auction Tl 150bn of sixmonth Treasury bills at an average 59.22 per cent annual yield, compared with TI 100bn and 54.4 per cent at last month's auction.

Bankers said that in spite of moderate market demand for Treasury hills there were high bids on expectations of heavy reliance on domestic borrow ing to mop up excessive cash circulating in the Turkish economy. Lira in circulation hit a record Tl 8,100bn on July 11, an 81 per cent rise on end-1988 levels.

Mortgage Corp acts to secure rating on securities

By Norma Cohen

THE Mortgage Corporation has taken steps to safeguard the AA rating on several of its mortgage-backed securities placed under review following the £13bn hostile bid for BAT Industries, the tobacco-based multinational.

The securities issued by special-purpose companies TMC numbers 2, 3 and 4, are rated AA by virtue of a pool insurance policy provided by Eagle Star insurance, a BAT unit. Eagle Star's claims-paying

rating has been placed under review for a possible down-grading by Moody's Investors Service and Standard & Poor's. Mr Roland Ward, finance director at TMC, said Ragle Star had arranged for other AA insurers to step in with a reinsurance policy that would maintain the rating in the event of a downgrading. He added that the insurers had absorbed the cost of the reinsurance in order to reassure other users of pool insurance of the efficacy of the product as a means of providing credit

Analysts at Moody's have inted out that the vulnerability of claims-paying ratings may cause issuers to forgo pool insurance policies in favour of a structure providing credit insurance on senior debt by dedicating payments from a subordinated tranche of secu-rities in the event of default. Mr Ward said TMC was not

considering a switch to the senior-subordinated structure as the use of pool insurance from Eagle Star and others had proven more cost-effec-

CAE Industries to raise C\$240m

CAE INDUSTRIES, the Canadian manufacturer of flight simulators, expects to raise about C\$240m (US\$201m) from a stock offering at C\$13.50 a share, Robert Gibbens writes from Montreal.

The offering, due to close on July 28, is one of the biggest Canadian equity issues since the stock market crash of 1987. It will raise about C\$50m more than the company originally expected.

Widening the junk default debate

Stephen Fidler and Norma Cohen on a study of speculative debt

revarberate in the can-yons of Wall Street as have the differences between Mr Edward Altman, of New York University, and Mr Paul Asquith, of the Harvard Business School. Their dispute, over defaults on junk bonds, unsettled the \$190bn US highyield bond market earlier this

In a study published in March 1988, Mr Altman argued that the annual default rate on unk bonds between 1978 and 1987 were 1.84 per cent. His research has been cited in promotional material pubished hy Drexel Burnham Lambert and other proponents of the junk bond market.

However, Mr Asquith's research, published in May, suggested that 34 per cent of the junk bonds issued in 1977 and 1978 had defaulted by last November. November.

These differences accounted for, in part, hy dif-ferent methodology, the use of different universes of bonds and even differences in the definition of default.

Now a new study, published yesterday by Moody's Investors Service, throws more light on the vexed question. A special report on historical default rates of more than 3,000 issuers of bonds in the US between 1970 to 1988 - almost all the long-term debt in the US corporate bond market - concludes that

• 220 issuera with Moody's long-term ratings defaulted in the period. Only one issuer -Manville Corporation which voluntarily entered bankruptcy because of asbestos litigation in 1982 – was regarded as investment grade (rated Baa or higher) at the time of default;

The lower the rating, the higher the incidence of default. On average, 4 per cent of Baa-rated issuers defaulted within

That increased to 14 per cent

eldom do academic rows for Ba-rated issuers and 29 per revarberate in the can cent for B-rated issuers showing significant differences even among bonds defined as speculative grade. Cumulative default rates over 10 years were 2 per cent for all investment grade bonds and 17 per cent for speculative grade

> On average in the 19 years 3.3 per cent of speculative grade issuers defaulted within one year, compared with 0.06 per cent of investment grade

For issuera rated Ba the per cent and for those rated B 6.7 per cent; • Event risk - the risk of unforeseen events such as mergers and acquisitions, corporate restructuring and litigation - has more impact on default rates for higher-rated

than for lower-rated bond The variability in default rates from year to year grows significantly for lower rated issuers. This higher "default volatility" may help to explain the higher than expected risk premiums on many lower-rated

bonds:

• Over time the riskier credits that survive tend to become stronger. For B-grade compa-nies the cumulative default rate rises to 16 per cent in three years but then the pace slackens, so that it takes 10 more years for the cumulative default rats to reach 32 per cent. Investment grade issues have a fairly steady default

Moody's analysis of defaults on speculative grade bonds shows a noticeably higher rate than the Altman study for most categories of junk bonds, hnt lower than the Harvard

While Moody's found a 10year cumulative default rate of 3.8 per cent for Baa/BBB-rated bonds between 1971 and 1988, Mr Altman found a default rate

although Moody's research analysts note that details of Default rates the exchanges are often diffi-cult to obtain. However, in a Levels of default over 4 separate periods recent promotional document for junk bonds, Drexel notes that about 31 per cent of all exchange offers that it alone has helped to negotiate have been for financially stressed

Aa

10

For bonds rated Ba/BB the dif-

ference between the studies

is far more dramatic, with Moody's finding a 14.1 per cent default rate against a 6.3 per cent default rate among bonds in the Altman study. But for Brated bonds, the lowest cate-

gory studied, the findings are roughly equal, with Moody's according a default rate of 31.5

per cent against Mr Altman's 32.2 per cent. In explaining the key differ-

ences between its findings and those of Mr Altman, Moody's

notes that so-called distressed

exchange offers - those in

which investors have faced the

choice of accepting an exchange offer as perhaps the

only alternative to bankruptcy

research of the former.

- are not included in the

In comparing its results with those of Mr Asquith, Moody's notes that significant differences in the results of the two studies may be explained by the fact that the research Ba

parameters vary.

The Harvard study found a default rate of 23.1 per cent by 1988 of junk bonds issued in 1977. Moody's, examining junk bonds issued in thet year, found a default rate of 13.1 per cent by 1988.

Among the key differences between the two is that the

Harvard study analysed only those bonds issued as "junk" in 1977, while Moody's looked at the rating of senior unsecured debt of all bonds outstanding in that year. As a result Moody's universe of out-standing bonds was much

larger. But Mr Douglas Lucas, analyst of structured financings at Moody's, cautions against interpreting the data as evidence that original-issue junk bonds have a slightly higher default incidence than those issued as investment-grade debt that is later down-

The question of wbether original-issue junk bonds— the securities which trans-formed the market in the early 1980s — are any riskler than other junk bonds remains unanswered by all the studies. Also, none of the existing research examines what may be the thorniest question of all whether investors are suffi-Why distressed exchanges were omitted from Mr Altman'a study is not clear simple investors are simple investors.

Nymex chief condemns plan to curb dual trading

MR Z. Lou Guttman, chairman of the New York Mercantile Exchange, has attacked proposals from a US congressional committee to ban dual trading and simultaneously submitted his own proposals for tighter market supervision, writes Katharine Campbell.

"Banning dual trading will

hurt market participants, not belp them", he said. Referring to legislation before the House Agriculture Committee which proposes a ban on dual trading. Mr Guttman characterised the including Nymex. idea as a "shoot first and ask

questions later approach."
The controversial practice, which allows traders to deal

both on behalf of customers and for themselves, has been open to scrutiny since federal investigations into trading abuses on US exchanges.

Mr Guttman's own propos-als, which have the support of the Commodity Exchange and the New York Cotton

Exchange, call for stricter and clearer audit trail standards, coupled with tough enforce-ment of these standards. Fallure to comply with the

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principles, to be drawn up by the Commodity Futures Trad-ing Commission, might lead ultimately to suspension of dual trading privileges.

LONDON MARKET STATISTICS

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS		Wedne	sday J	uly 19	1989	•	Jul 18	Mos Jul 17	Fri Jul 14	Year ago (appro
Flg	& SUB-SECTIONS ures in parentheses show number of stocks per section	index No.	Day's Change	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at	Est. P/E Ratio (Net)	nd adj. 1989 to date	Index No.	Index No.	Index No.	index No.
_			%		(25%)						<u> </u>
	CAPITAL G008S (206)	999.99	+1.2	10.60	4.89	11.58	16.49	988.55	986.44	982.97	813.1
2	Building Materials (29)	1232.33	+8.9	12.73	4.28	10.52	25.92	1221.75	1214.21		1020.7
3	Contracting, Construction (37)	1668.33	+0.3	14.38	4.22	9.38	32.70	1663.32	1661.95		
4	Electricals (91	3081.64	+0.4	7.95	3.84	15.52	59.60	2988.51	2944.64		
5	Electronics (30)	2256.89	+1.0	8.61	3.28	15.16	23.95	2233.28	2240.24	2248.36	1792
6	Mechanical Engineering (55)	207.22	+1.0	9.60	3.61	12.81	9.50	547.62	544.75	542.45	427.
8	Metals and Metal Forming (6)	327.44	+0.8	19.46	5.65 4.34	5.64 11.11	6.83	523.48 341.12	522,45 337,93	517.79 335.75	587. 287.
. 2	Motors 1177	330.31	+2.7	18.56 8.98	4.87	13.30	32.74	1794.99	357.93 1712.87	1763.59	1327.
ίO	Other Industrial Materials (23)	1205 00	+1.6	8.43	3.43	14.83	20.25	1294.48	1294.50	1299.72	
=	CONSUMER GROUP (186) Brewers and Oistillers (22)	1420 10		9.33	3.42	13.49	21.75	1428.38	1428.22	1440.36	
~	Food Manufacturing (20)	1210 40	+0.6	8.39	3.45	14.92	29.55	1204.05		1212.66	
2	Food Petalling (1.4)	2586 17	+1.9	8.87		16.35	32.27	2453.49	2440.45		
77	Food Retailing (14)	2328 26	+2.0	6.35	2.55	17.87	22.20	2282.18	2289.44	2278.96	1867.
×	Leisure (33)	1711.96	+8.4	7.38	3.25	16.99	29.19	1704.73	1700.62		
'n	Packaging & Pager (15)	596.36	+1.2	9.77	4.12	12.92	8.30	599.34	591.19	591.66	
2	Packaging & Paper (15)	3642.61	-0.2	8.53	4.57	15.03	72.88	3648.89	3679.82	3672.20	3542
ā	Stores (34)	673.DB	+1.1	10.31	4.14	12.68	16.19	863.72	864.98	869.83	821.
35	Textiles (15)	557.62	-0.6	10.73	5.21	11.16	14.97	560.87	564.75	564.18	611.
40	Textiles (15)	1188.51	+6.2	9.58	3.97	12.70	19.58	1185.94	1194.72	1195.16	905.
11	Agencies (17)	11388.23	+0.2	7.22	2.36	17.14	15.62	1385.63	1394.52	1392.16	
12	Chemicals (23)	1307.17	+0.6	10.78	4.58	10.95	27.62	1299.35	1305.82	1298.89	1881.
13	Congiomerates (1.3)	П712.37	+0.5	9.89	4.76	11.84	26.22	1783.30	1789.93	1705.47	1222.
45	Teachort (13)	2528 81	+1.0	0.31	3.57	15.63	39.22	2504.02		2526.25	
47	Telephone Networks (2)	1097.10	-0.3	11.18	4.52	11.66	22.38	1100.34	1116.24	1125.02	967.
48	Telephone Networks (2)	2925.71	-0.2	8.08	2.94	14.04	24.45	2939.09	2042,65	2038.77	1192.
19	INOUSTRIAL GROUP (486)	7214.21	+6.8	9.36	3.74	13.18	19.50	1294.92	1206.81	1207.91	987.
51	OII & Gas (14)	2176.34	+1.2	9.76	3.14	13.62	64.24	2149.94	2132.63	2133.19	1863.
	500 SHARE INDEX (500)		+0.8	9.41	3.93	13.24	23.15	1285.27	1285.46	1284.73	1061
ä	FINANCIAL GROUP (125)	785 77	+1.3	-	5.08	_	18.13	775.93	775.92	770.57	713.
	Banks (91	769.98	+8.9	22.45	6.26	5.86	21.71	763.12	768.59	754.20	689.
	Insurance (Life) (8)		+3.2	-	5.01	3.00	29.86				
Z	Insurance (Composite) (7)	629 98	19.9		5.71		16.75	624.60	618.45	612.38	
7	Insurance (Srokers) (7)	972.75	+1.2	7.76	6.38	17.33	31.63	961.12	969.20	972.15	1009.
8	Merchant Banks (111	359.28	+2.8		4.33		7.30	349.43	349.33	347.94	357.
59	Property (52)	1387.37	+1.9	6.60	2.81	21.23	16.89	1374.89	1389.83	1396.50	
70	Other Financial (311	378.18	+1.1	11.24	5.70	11.35	9.63	374.11	372.69	372.96	382.
77	Investment Trusts (69)	1286.98	+0.5	_	2.72	_	15,82	1207.00	1203.50	1197.49	927.
u	Mining Finance (2)	676.94	19.4	8.21	3.80	13.57	10.45	674.52	673.71	673.71	534
)ī	8verseas Traders (8)	1428.38	Hames	18.44	5.22	18.89	35.07	1419.64	1413.94	1398.55	1178
79	ALL-SHARE INDEX (704)	1170.28	+8.9	-	4.97		21.60	1160.27	1160.56	1159.82	971.
-		Index	Day's	Day's	Day's	Jul	Jul	Jul	Jel	Jul	Yea
		No.	Change	,_	Low (b)	18] J##	14	23	12	390
_	FT-SE 100 SHARE INDEXA			High (a)	2268.9			2273.7			_

	FIX	ED I	NTE	REST	r			AVERAGE GROSS REDEMPTION YD	Wed Jul 19	Tue Jui 18	Year ago Cappros	
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Britist & 1 5 years 2 5-15 year		117.78 132.91		118.07 133.60	0.24	7.0 0	16	Medium 5 Coupons 15 25	yearsyearsyears	10.63 9.72 9.32 10.74	10.58 9.71 9.31 10.78	10.1 9.6 9.4 10.2
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5 All stock Index-Lin 6 5 years 7 Over 5 years	ked Xars	135.76 136.60	+0.04 +0.04	130.99 138.65 136.55	0.09 - -	1.36 2.33	11 12 13	Index-Lisked Inflation rate 5% Inflation rate 5% Inflation rate 10% Inflation rate 10%	5yrs Over 5 yrs 5 yrs Over 5 yrs	3.35 3.59 2.53 3.41	3.36 3.59 2.53 3.41	2.7 3.6 1.7 3.7
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.6 Preferen				87.89		3.58	18	Preference	.,	10.30	10.31	

RISES AND FALLS YESTERDAY **British Funds** Industrials Financial and Properties 1,430 Totals. 661 LONDON RECENT ISSUES

Times Gross P.E. Cord Yield Ratio 16.0 #5.2 11.13 30 6.66 4.5 N3.84 Q16% 8.2 3.0 41.0 77.8 13.78 23 4.9 11.9 010% 12.8 9.4 83 R1.3 6.0 1.3 13.4 13.25 2.9 3.6 12.5 13.5 2.5 4.2 11.5 1294 18 48 114 850 16 57 133 **FIXED INTEREST STOCKS** Amount Latest Paid Resuse up Date Price + or

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earnings. In Division and yield based on Prospectics or other official extinuous the 1908. It dividend and yield based on prospection or other official estimates the 1908. It dividend and yield based on prospection or other official estimates for 1909/970. Q forms if general amendment individent cover and pie ratio based on prospection or other official estimates. W Five Forms figures. V issued by tender. A Official to builders of ordinary shares as a "rights". Introduction, piezeing price. If Restroduction, a based in connection with reorganization marger or lationers. I Introduction price. It follows: A United Marger.

 First Dealings
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TRADITIONAL OPTIONS dington, Forranti, Brent Chemical, Anglo Group, Scantronic, United Biccuita, Mariey and Tay Homes. Puts in Spong and Polly Peck. Doubles in Stormgard and Walter

galler som de til flere de seg fråger dette bligte skille i kompetense flere i bygg her e LONDON TRADED OPTIONS

BRITISH Patroleum topped the list of stocks handled on the London Traded Options Market yesterday
— for the second day running —
attracting 4,112 contracts, made
up of 4,067 calls and only 51 puts.
The underlying share price in the

tock gained 4p to 309p.

Overall market business amounted to 45,977 contracts, consisting of 35,781 calls and 10,196 puts, although exact calculations of the day's business con-tinued to be hindared by the

change to a new matched-dealing system.

Trading in the FT-SE 100 index option claimed about a third of total business, on a day when the

Brit. Airways 180 24 (*203) 200 41₂ 220 1₂

July Oct. Jan. July Oct. Jan.

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Galonea. (*527 }

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260 8 21 28 4 9 12 280 2 10 18 18 20 21

330 39 53 62 1 360 11 30 40 2 390 1½ 14 24 24

Japuar (*422.)

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isvals eince the stock market crash of October 1987.

The index ended 19.4 points up, at 2,292.5. Total business in the option came to 15,364 contracts, with 9,500 calls and 5,864 puts.

puts.
Dealings in the index and BP shadowed most other trade. Cad-bury Schwappes showed a rebound of no less than 16p in its shara price to 459p, but found only 1,922 contracts on tha options market, consisting of 1,495 calls and 427 puts, with opening of call interest particu-iarly strong in the August 420s and August 500s.

vious day, was again in the lime-light, attracting 1,763 contracts, as well as a rise of 10p to 384p in its underlying share price.
Dealings in STC on the options markat were spread between 1,688 calls and 75 puts. The most heavily traded series was that of the July 260 calls, which saw 763 contracts handled, and a gain of

STC, a star pe

712.
Trusthousa Forta saw busy trade with 1,893 contracts. Sears and Scottish & Newcastle again attracted some attention, as did Rolls-Royce and Cabla & Wireless

FINANCIAL TIMES ARCHITECTURE AT WORK AWARD 1989

Assessors' Report/Winner

Some 70 entries were submitted and after consideration of the shortlist of buildings that they visited the jury gave the Financial Times Architecture at Work Award for 1989 to the Truro Courts of Justice.

In a year when there was a particularly high standard of architectural design among the entries, it was a particular pleasure to give the award to the outstanding new law courts in Truro. . . .

It is a building that demonstrates effectively how to add new architecture to old towns. This is the key problem for our smaller country towns where the delicate growth of centuries can so easily be permanently damaged by insensitive, out of scale, new buildings.

The jury were first of all particularly struck by the contribution made by the new law courts to the skyline and distant views of the town. The circular form and conical roof. of the main building rises out of the dustering roofs in an ... elevated part of the old town. The dear white building rises out the town like a new acropolis. Initially it looks dosed and mysterious, more mediaeval than Greek, and yet its forms are modern.

The town is quietly dominated by the impartial . presence of the law in this new building that adds a note of formal order to the roofscape of the town. It is a rare achievement to add a major public building so harmoniously. Elsewhere in Truro there are examples of out of scale commercial buildings and visually damaging car parks.

Inside the white walls the architects have created a subtle plan of public spaces and courts and offices that is pleasurable to use and enjoyable to work in. Ramps, gardens, cloisters and top-lit halls on a generous scale are unified by the intelligent plan into a powerful architectural experience. The materials and colours are limited to make a building that is: primarily black and white. This could easily have been bland but in Truro the result is an architectural nobility achieved by simple means. This elegance is remarkably rare, particularly in contemporary institutional buildings.

l trading

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The jury spent time talking to the people who use the building. They felt that an appropriate contemporary. setting for the administration of justice had been successfully achieved. The building works well at all levels and gives considerable architectural pleasure. The public sense from -outside is that a real effort has been made to make a sensitive addition to the town. They are well served inside the building too by the dignity of the circulation areas and the sounety of the courts themselves. There is no sense of oppression inside: the law courts, the atmosphere is rather one of cool enlightenment."

The award recognises not only the architectural an distinction of the unusual work place but also commends an imaginative act of public patronage. Truro has gained a ...positive addition to the town and justice gains a humane and

Commendations

Prince's Square, Glasgow. Prince's Square is a five storey speciality shopping centre in the heart of Glasgow. The original buildings consisted of a four storey merchant square built in yellow-sandstone and completed in 1841. The original owner, in celebration of the birth of the Prince of Wales, later to become Edward VII, named the new building Prince's Souare. The buildings have a pleasant civic character and are listed Grade B.

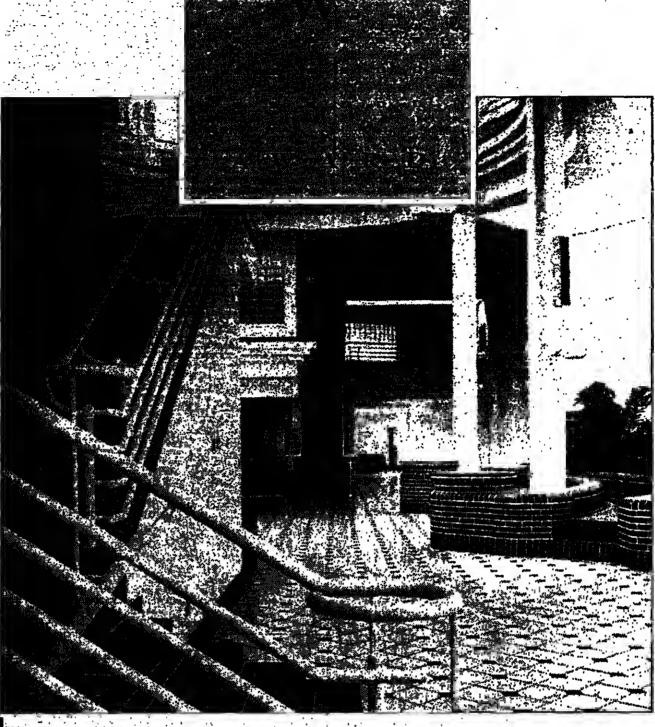
The architects have carefully preserved and restored. the original courtyard and transformed the open space into a multi-level covered shopping centre. The three principal approaches to the main space are through the attractive 19th. century buildings on Buchanan Street and two further entrances lead towards Queen Street. There is an element of secrecy and surprise at entering the huge and well-composed volume after squeezing through relatively narrow passages from the street.

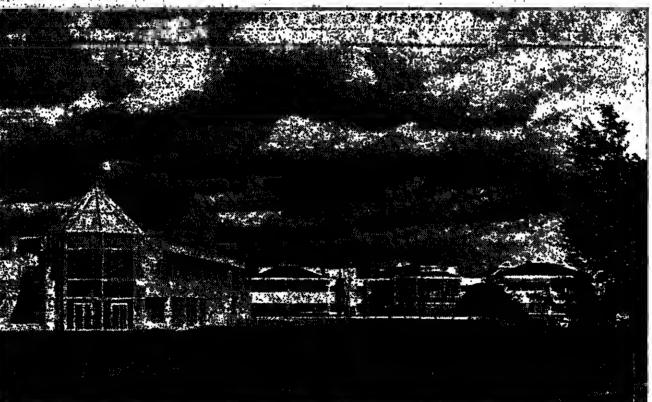
The size of the central courtyard was calculated to enable someone looking across it to see all the shops on all floors. In addition to this simple geometrical exercise, the design of the courtyard, its columns, roof, balcony froms and balustracles were calculated to increase in decorative richness as they rose above the ground, so that people would be encouraged to visit the upper floors.

The scheme has none of the taudiness and condescending 'thernery' so redolent, sadly, of many new shopping centres. Nor is the decoration arbitrary, it descends from the Art Nouveau tradition of Glasgow, and from that movement's interest in symbolism. The finishes and fittings to the interior, such as the wrought balustrades and mosaic floors, have been crafted by artists who work in Scotland.

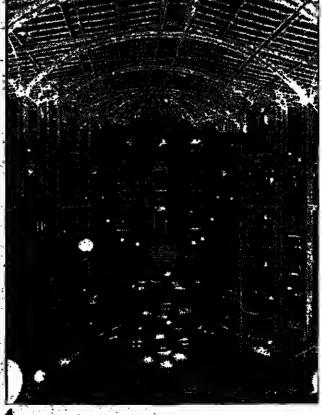
The overall success of the interiors probably derives from the skill with which the new insertions are held together by the careful interplay between them and the tough, no. nonsense stone classicism of the preserved and restored facades surrounding the main atrium, it is both a success as an exciting workplace and as a new kind of public space. Shopping becomes a pleasure and the city gains a new sense of civility and urbanity.

Stockley Park, Uxbridge, Middlesex. Stockley Park is a development on the grand scale. It is based on the









1: Courts of Justice Truro, Cornwali

Architect: Engineer:

Client

Evans & Shalev Anthony Hunt Associates Lord Chancellor's Department

Design and Management Contractor: Dudley Coles Ltd

Construction: Property Services Agency

2: Stockley Park Uxbridge, Middlesex

Architect: Engineer: Client:

Arup Associates Ove Arup & Partners The Stockley Park Consortium Ltd Contractor: Schal International Ltd

3: David Mellor Factory Hathersage, West Derbyshire

Architect: Engineer: Client: Contractor:

Michael Hopkins & Partners Whitby & Bird David Mellor Design Ltd David Mellor Design Ltd

4: Prince's Square Glasgow

Architect: Engineer: Client:

Hugh Martin & Partners Ove Arup & Partners Guardian Royal Exchange & Teesland Development Co Ltd

Sir Robert McAlpine Contractor: & Sons Ltd

transformation of some 350 acres of former gravel workings and rubbish tips into a major business park. It is centrally located within the London Borough of Hillingdon and the development includes the creation of 250 acres of landscaped paridand, lakes, playing fields and an 18 hole golf course; there are 90 acres of commercial development.

Major site reclamation involving some three million cubic metres of landfill material was necessary in order to establish the infrastructure of a major public park and business community for high technology industries. Arup Associates were responsible for the masterplan and for the design of many of the buildings. Other buildings by Foster Associates, Geoffrey Dark Associates and Troughton McAslan are also nearing completion.

The whole complex is a magnificent achievement combining

- too rare a phenomenon in this country - strategic

thinking, thoroughness of investigation and pre-planning, a deep concern for upgrading a derelict environment and a patronage of good architecture and design.

The architecture at Stockley Park demonstrates an order and clarity of expression which allows for variations in buildings under the rigorous control of a masterplan. A set of rules for the various designers controls siting, heights, roof treatment etc. In a few years this approach may create an environment which could be a paradigm for other developments not only of this kind but perhaps of towns themselves.

David Mellor Factory, Hathersage, Derbyshire. The building is a small workshop for the manufacture of high quality modern cutiery in the village of Hathersage, some ten miles from Sheffield, in the Peak District National Park.

New development in the area is closely controlled by the Peak Park Planning Board and the building had therefore to respect local building traditions, especially in its use of materials. With the encouragement of the planners, a circular building form was chosen; this was generated by the footprint of an existing gasholder foundation, some 26 metres in diameter and the new building therefore fits comfortably into a ready made mature landscape.

The load bearing external wall of the building, dad in local stone, supports the tubular roof trusses which sit on external concrete padstones and rise towards a crown in the centre. The conical roof is dad in lead and the elegance of the structure is articulated by two architectural devices - the band of glazing at the top of the wall which allows the structure to float above the stone base, and the central glazed lantern at the crown of the roof. The building has real architectural presence and reflects the quality of the work it is designed to accommodate. It manages to combine aspects of both modernism and tradition in the creation of a workshop environment which is a pleasure to be in and a tribute to the collaboration of the client and architect.

For a copy of the awards brochure please send an A4 stamped addressed envelope to The Public Relations Department, Financial Times, Number One Southwark Bridge, London SEI 9HL

UK COMPANY NEWS

Docklands decline leads to Kentish suspension

By Clare Pearson and Andrew Taylor

KENTISH PROPERTY Group yesterday hecame the first housebuilder to request suspension of its shares as a result of a sharp fall in sales.

The shares were suspended at 6ip pending detailed consideration of its financial position.
Kentish Property specialises in development in London's former docklands.

The decision to suspend its

shares followed a recent further downturn in demand for dockland flats. Sales and prices many dockland homes fell

following the stockmarket crash in October 1987.

Kentish Property shares were floated on the stock market at 185p in July 1987 prior to the market crash which led to the leaves and reductions in joh losses and reductions in earnings of some financial market employees who had bought homes in docklands. The decline in house sales in

docklands was separate from the more general fall in house sales and prices which occurred in London and south east England during the past ten months, and has since spread to other parts of the country.

Sales in some areas are down by a half following increases in mortgage interest rates.

Figures published yesterday hy the Environment Depart-ment showed that construction orders for private housing fell by 17 per ceot during the three months to the end of May, compared with the correspond-

ing period last year.

There have been growing concerns about the strain on small housebuilders caused by low turnover and high interest

low turnover and high interest rates, and the fact that they may have purchased land at inflated values.

Kentish said in April, when it announced results for 1988, that it had secured substantial pre-sales for 1989. Its pre-tax profits were £4.67m, up from £3.93m, but showed s slowing in the second half. in the second half.

Specialists in docklands, with poor communications and

an abundant supply of newly-huilt homes, would appear more vulnerable than others. Fairclough Homes, another docklands developer, said prices of the more expensive units in docklands, in which Kentish specialises, are thought to have stabilised this

year after falling by about 20 per cent from their peak. But sales volumes were still well

Rutley, estate agents and chartered surveyors, claimed yes-terday the docklands had suffered no more in terms of price and sales volumes than other

"non-prime" areas.

Bellwinch, another small housebuilder in the sonth-east with a large exposure to the docklands, announced in March its pre-tax profits had tumbled by almost a half to £1.82m in the six months to

end-December. It also said it had introduced financial incentives to encourage purchasers.

A spokeswoman for the London Docklands Development Corporation said it was impor-tant to make a distinction between housebuilders constructing reasonably-priced family houses in Surrey Docks and those concentrating on huxury apartments in Wapping and Limehouse.

In unit terms, docklands accounted for 75 per cent of 1988 sales of Kentish, which also has developments in the East End and Hackney. It has made attempts to move further into commercial developments, including a joint venture with Kleinwort Benson Property down on previous levels. Fund to acquire and run ser-However, Knight Frank viced business centres.

Buy-outs on the cards at GPG

By David Lascelles, Banking Editor

THE DISPOSAL of Guinness Peat Group, the financial services concern, is likely to proagement huy-outs rather than an outright sale.

The company, which is 61 per cent owned hy creditor banks of Equiticorp of New Zealand, said yesterday that huy-out offers had been received for all but one of its

These were Fenchurch, its insurance broking arm, where negotiations are at an advanced stage, Forstmann-Leff, its new York-based fund management company and Eagle, another fund management company hased in Texas.

Brit Bloodstock§.....tin

Priest (Ben)fin

Bulmer (HP)

Scat Amer inv

DIVIDENDS ANNOUNCED

Sept 11

Aug 25

Oct 23 Oct 5

Dividends shown pence per share net except where otherwise stated.

Equivalent after ellowing for scrip issue, tOn capital increased by rights and/or acquisition issues, §USM stock, §SUnquoted etock, •Third

Current Date of

psyment payment

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2.4 0.8 0.8

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In addition US executives had offered to buy out a group of

US property businesses.
This left only the Management Compensation Group, a benefits consulting company based in Oregon, Although several outside companies had expressed an interest in buying parts of GPG, no firm offers had come forward, so the banks are willing to consider the buy-out proposals. How-ever this will leave them still owning shares in GPG, rather

than obtaining cash. The banks became owners of GPG when Equiticorp went into voluntary liquidation at the beginning of this year. Since then, they have been try-

Total

Total last

year

GPG's sister company, Guinness Mahon, to the Bank of Yokohama.

The board of GPG, which is being advised by Morgan Gren-fell, has appointed Mr Edward Hall as a joint managing direc-tor and the chief financial officer. Two non-executive direc-tors of GPG, Mr John Gillum and Mr Vernon Alden, and Mr Hall have been appointed members of the committee formed to negotiate each of the buy-out proposals.

WPP Group, the advertising and marketing services group, is expanding in Texas with the acquisition of Anderson Communicatious for a maximum

Anderson, which trades as Anderson Fischel, is a recruit-ment advertising and public relations agency with billings of \$18m and pre-tax profits of \$400,000 for the year to Febru-

its directors have sold their entitlements to the company's rights issue and invested the proceeds in preference shares. They are Mr Martin Sorrell, chief executive, Mr John Symonds, chairman, Mr Robert Lerwill and Mr Gordon Samp-

ing to find buyers in order to recover their loans. They have already sold their stake in

WPP makes \$6m purchase in Texas

Separately, WPP said four of

Property expansion for Taylor Woodrow

By Paul Cheeseright, Property Correspondent

TAYLOR WOODROW, the construction and property group, has taken its second major excursion into the industrial property sector with the purchase of a £28.3m port-

This follows last year's 277m cash purchase of industrial properties in Warrington and marks a further effort by the group to widen the geographi-cal scope and nature of its property interests. Taylor Woodrow's UK property port-folio is worth £527m.

The properties purchased are in the Manchester, West Yorkshire, Avon and Nottingam areas. At present they have a net income of £1.8m a

The seller, A Peachey, has been satisfied by the issue of 9.06m new Taylor shares, subsequently placed at 316p apiece by Hambros Bank. The price compares with the 331p standing ahead of the acquisi-tion announcement and yester-

tion announcement and yester-day's closing price of 328p.

The new shares represent
2.7 per cent of the enlarged
Taylor Woodrow equity.

Isosceles to pass payment of final dividend pledged by Gateway in bid By Maggie Urry

Isosceles, the group which last week won the 22bn bid battle for Gateway, the food retailer, yesterday said it would not pay the 6p final dividend Gate-way had promised sharehold-

The move will affect Newgateway, Isosceles' rival in the bid, as it has continued to hay Gateway shares and now holds 281m shares, 31.5 per cent of the total.

Newgateway said last night it was "sure Isosceles will act in the interests of all share-holders". Gateway shares fell 1p yes-

terday to 231p.
The dividend was declared hy Gateway as one of the planks of its defence against Isosceles.

When it reported results for the year to the end of April on July 4. Gateway said the divi-dend would be paid "if the company is not acquired". Isosceles said yesterday it would vote against the divi-

dend at Gateway's forthcoming annual meeting and accordingly the dividend would not be paid. Gataway shareholders who accepted the Isosceles bid did

so on the hasis that they would not be entitled to dividends made or paid after April

Resignation by Trevian director

Mr David Dutton, former chalmosn of Trevian Holdings, the USM-qnoted property group, has now resigned as a discount.

Mr Dutton stepped down as chairman in March after sell-ing the majority of his stake to Frogmore Estates, the prop-erty investment group. Frogmore holds 29.9 per cent of Trevian.

Last wesk, Trsvian announced pre-tax profits doubled from £1.94m to £2.7m in the year to April 5

However, it was forced to take a net provision of £714,000 below the lina to cover interest costs in its Mirra Holdings associate.

Compare and contrast two bosses

Ray Bashford on Coalite, Anglo United, their chairmen and the bid

ROM THE moment that Anglo United, the fuel distribution group, announced its daring takeover offer for Coalite, a far bigger competitor, there were clear signs that it was going to be a hard fought contest. The May 25 announcement of the bid left two companies, leasted mithin a few miles of

of the bin left two companies, located within a few miles of one another in North Derbyshire, and headed by two men with sharply different personalities, locked in a leveraged takeover battle with the key to outcome held by 10 City instiprtions.

It was difficult to find anyone in the City who would even hazard an informed guess about the outcome late last week, with most preferring to allow as much time as possible for the combatants to trot out their respective arguments about the £478m offer before

jumping either way. However, yesterday, a day before the next closing date, it appeared that Anglo was gain-ing the upper hand, after receiving a boost to the cam-paign when Prudential Portfo-lio Managers offered half of its

lio Managers offered half of its 5.6 per cent stake on Monday.
With acceptances believed to total between 28 and 32 per cent of the capital, as well as an 8.4 per cent stake in hand, Anglo was showing every indication, that by the offer's final close next Tuesday, it could push through the 50 per cent barrier.

barrier. Indeed, several City analysts were yesterday speculating about the possibility of a wave of acceptances which might arrive before the deadline. Further evidence that the

wind has shifted is provided hy circulars from James Capel, UBS Phillips & Drew and Citi-corp Scrimgeour Vickers in the past week which have come out resoundingly for Anglo. As the hid has progressed.

the arguments about the industrial logic and the leveraged financing of the deal, which sppeared paramount at the time that the terms of the first offer were announced, have become subsumed by a debate about the respective manage-

ment abilities of the two sides.
As one analyst put it: "What
this fight has come down to is a decision among the major institutions about whather they can accept the Coalite management's assurances that things are going to get better for shareholders of the company under its present management. If they can't do this,

people will go for Anglo."

Many shareholders appear to have been holding out in the vain hope of a rival bidder to throw a slightly more generous offer their way. Most institu-tions do not believe that an exit multiple of 12.7, or slightly higher if you accept the Anglo figure, is a lavish offer.

However, as an alternative offer can virtually be ruled out, shareholders must face the question of what will happen to Coalite's share price if the bid fails

Tha speculative elemant buoying the shares since the beginning of the year would be ruled out in the short term, leaving them to be assessed on their fundamentals.

This makes the "jam tomor-row" argument of Coalite chairman Mr Eric Varley less attractive and leaves the shares open to a free fall of perhaps 70p below yesterday's closing price of 464p - up 14p

on the day.

On a personal level, the contrast in style between Mr Varley and Mr David McErlain, the chairman of Anglo, is as great as the divide between the

great as the divide between the two when they talk about the future of Coalite.

Mr Varley, a former Labour government energy secretary, harbours no love for the entrepreneurial Mr McErlain whose commitment to Mrs Thatcher's new spirit of capitalism is demonstrated by his Tory Party. onstrated by his Tory Party fund-raising activities. The Coalite chairman sees

Mr McBrlain as an upstart in the coal industry, a man more interested in asset stripping than developing the company. Throughout the campaign Coalite has depicted Anglo as an excessively geared vehicle with which Mr McErlain plans

to test his theories about the



Bric Varley – besieged hy a company headed hy a man of a very different political colour.

future of the coal industry. It has claimed that Anglo has an erratic record which has an erratic record which has led to a decline in real earnings per share during the past 5½ years, leaving the company capable of paying dividends in only four out of tha last six financial periods.

The Anglo chief replies that Mr Varley has presided over a period of unacceptably slow growth in terms of earnings.

growth in terms of earnings and dividend with a manage-ment style more hefitting a company a fraction of Coalite's

Mr Varley's style of management during his four years in the chair has left him remote from the City. Many institutions which have stuck with the company through difficult times have met Mr Varley for the first time during the company's defence operation.

pany's defence operation.

Also on many occasions he has found it heavy going justifying the group's record. During the past 10 years Coalite has returned 10 per cent annual growth in pre-tax profits and 7 per cent in earnings against a UK average of 13 and 12 per cent respectively.

And although there has been a sudden recent improvement

sudden recent improvement in dividends, many institutions are wondering whether this trend would continue if the bid were repelled.
Mr Varley acknowledges

shortcomings in the company's previous dividend policy. "I think we've been mean with dividends. However this bid has made us concentrate our minds on the future policy."

The Coalite management's strategy of diversification away from its core fuel busi-ness has also faced a testing period. There appears to be general acceptance that a com-pany with the cash generative power of Coalite had the capac-ity to insulate itself from the uncertainty of the fuel business through diversification.

However, the husinesses that
have been entered, such as

huilders' merchanting, waste disposal, vehicle distribution, quarry and aggregate businesses and the penetration achieved in those areas during the past three years has left many doubting the wisdom of the management's decisions.
Anglo takes a totally different view of the fuel distribu-

tion husiness, believing that the eventual privatisation of British Coal and the resultant deregulation of the coal industry throws open immense potential for expansion. For this reason it would concentrate its efforts on developing the business.

The rest of the company would be sold off to fund the leveraged takeover.

However, with the sale of the businesses so well telegraphed and the terms of the schedule and the terms of the sackers of for repayment to the backers of the bid so well known, people opposed to Anglo's offer claim that it would be a forced seller when it came to disposal of the

subsidiaries. With characteristic confidence Mr McErlain shrugs off such propositions, claiming that he has already received a range of offers for the larger parts of the business up for

Whether he ever arrives at the position to test the validity of the interest he has already received will be decided in the next few days. But there is sufficient svidence to concluds that he has more chance of selling the businesses than Mr Variey has of adding to them.

John Govett "had given an

irrevocable undertaking to

accept any hid". However, Mr Rankin said

John Govett falls in behind Lilley's offer

By Philip Coggan

Lilley's chances of succeeding in its £126m hostile offer for fellow construction group Til-bury appeared to improve yesterday when John Govett, the fund management group, pledged irrevocably to accept the offer on behalf of a 14.1 per cent stake owned hy discretionary clients.

The move sparked a sharp reaction from the Tilbury

acting in concert. Mr Bob Ran-kin, Lilley's chief executive,

board, which has asked the Takeover Panel to investigate whether Lilley and Govett are

said that there was "no truth at all" in the allegation.

John Govett has already sold a 3.9 per cent stake in Tilbury to Lilley, which is offering 619p per share in ordinary and convertible preference shares. Lilley now has a 9.8 per cent hold-

ing and it called yesterday for Tilbury to enter into discus-sions and argued that the stand in the way of the trans-

Goode Durrant likely to reject Nash request for seats on board By Ray Bashford

THE BOARD of Goode Durrant, the industrial and financial management company, is today expected to reject a request from the company's biggest shareholder for two seats on the board.

two seats on the board.

Mr Michael Warring, Goode
Durrant's managing director,
said he did not believe that
members of the Nash family,
which are large 30 consisted a which on June 30 scraired a 14.9 per cent stake in the com-pany through Winnedael, could make a contribution to the

development of the group.

The comment was made after a meeting yesterday between Mr Warring and Mr Tim Nash, a senior executive in the Dutch company.

At the meeting Mr Nash made the request for the board

seats and also gave an assur-ance that it had "no current in tention to significantly increase its investment beyond its present sharas and

In addition to the 14.9 per cent acquired from FAI insurance, the Australian company headed by Mr Larry Adler, the Dutch company also has an option to buy a further 5 per cent. However, Bank of England approval would be needed to take up these additional shows.

tional shares.

Mr Tim Nash said that he was entitled to the board seats being the biggest shareholder and also hecause he could "contributa experience and expertise" to Goode Durrant's

Tilbury rejected the approach and Mr Mike Bottjer, chief executive, said that "we have no intention of meeting" Lilley to discuss this attempt to buy Tilbury on the cheap' In a statement, Tilbury said that it understood that Lilley had discussions with John ment of the offer. It added that it was told orally by Lilley on June 30 - when the first bid approach was made - that

that Lilley approached a num-ber of sbareholders, including John Govett, to discuss Its intentions before launching the bid. He denied that he had told Tilbury that John Govett had given an irrevocable undertak-

Govett also owns a further 3.6 per cent which has not been pledged to the offer.

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually-held for the purpose of considering dividends, Otical indications are not swaltable as to whether the dividends are interims or finets and the subdividends where below are based mainly, or

L	toria Carpets.	
-	PUTURE DATES	
-	Interime-	
•	Bank Leumi (UK)	July
-	PROPER LECTROPORY	July
•	HK & Shanghal Banking	Aug
		July 1
	Robinson (Thomas)	Au
	Sycamore	July Carl
	Pinnie.	
	Amalgameted Fin Inva	July
	DDG LABION	367
	LIENDER FOOGS	July
		3
ð	Prints Leadure	July
	PURRODOTO Platicum	July
	Wood (John D)	July

LEGAL APPOINTMENTS APPEAR **EVERY MONDAY**

BOARD MEETINGS

FOR FURTHER INFORMATION CONTACT 01 873 3000

ELIZABETH ROWAN X3456 CANDIDA RAYMOND X3694

ANNUAL RESULTS £54.5m £46.8m +16% £7.7m £6.8m +13% £6,8m £6.5m +5% 9.9p +16% 2.85p 2.3p +24% If you would like a copy of the 1989 Annual Report please

contact The Secretary, H. Arnold, Esq., Physu plc,

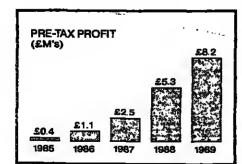
120 Station Road, Woburn Sands, Milton Keynes,

Buckinghamshire MK17 8SE, Tel: (0908) 582311

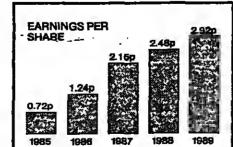
Benjamin Priest Group plc

	NEW RECORDS SET	IN YEAR TO 31 MARCH	1989
•	TURNOVER	£101M	+ 42%
•	PRE-TAX PROFIT	£8.2M	+54%
•	EARNINGS PER SHARE	2.92p	+18%
8	DIVIDEND PER SHARE	0.9p	+50%

NET BANK BORROWINGS ELIMINATED



expand further, both organically and by acquisition."



"The board's concentration on running specialist businesses with skilled management has resulted in consistent growth in profits. We will continue to invest in businesses to increase growth. The group is in a strong financial position and well placed to

Christopher Walliker, Chairman

Specialised components, proprietary products for the leisure marine industry (the Lewmar group)

> Benjamin Priest Group plc. Priest House, PO Box 38, Warley, West Midlands B64 6JW. Tel: 0364 66501 Fex: 0384 64596

and engineering services.

Babcock Intl flotation begins the FKI demerger process

By David Waller

FKI BABCOCK, the boilers and electricals group, yesterday announced the flotation of Babcock International Group, which is the first stage in its plan to divide itself into three

new companies.

Existing FKI shareholders will be offered one new share in Babcock International for each FKI share they have at the moment. The new shares will never a grand distinct of Sp. will pay a gross dividend of 3p in the year to March 1990. Assuming a share price of 57p, the price at which 15m BIG shares were conditionally placed with institutions yester-day, the yield will be 7 per cent

and the new company will be capitalised at £268.5m. Mr Jeff Whalley, FKI deputy chairman, said that BIG would be the ultimate in "green" stocks with a large part of its business servicing the cleaning of the UK's power stations. The company receotly won a £300m contract for flue gas desulphurisation equipment at the Drax power station in Yorkshire.

In the year to the end of March BIG reported operating profits of £33.6m and turnover

of £525m, compared with a loss of £19.64m in the fifteen months to March 1988. The order book stands at £1bn. The company includes contract operations such as Clandius
Peters and the Rosyth Royal
Dockyard, 65 per cent owned
by BIG via Babcock Thorn.
Mr Tony Gartland, FKI chief
executive, reiterated his com-

Plans to restructure the group were announced in principle in March and modified earlier this summer. The next step in the restructuring is to complete the auction of the US business, which could raise between \$450m and \$550m. Morgan Stanley, the US invest-ment bank, was retained to conduct an enction and FKI expected to complete the sale by the end of next month. Net proceeds will be distributed to

FKI shareholders. BIG is designed to appeal to institutional investors interested in high yields while FKI

will maintain a higher divi-dend cover with the intention of being rated as a growth FKI's shares rose ip to 178p yesterday. Analysts suggest that the company could be worth between 185p and 210p per share on the basis of the planned break-up.

The 15m new shares were placed in order to bolster BIG's plaint that the stock market had failed to value the com-pany adequately, and that the parts would be worth much more than the whole. balance sheet so that it could secure lines of credit for its contracting business. The new company's net tangible assets will be £51m, £35m of which will be cash.

The chairman of RIG will be Lord King of Wartnaby, cur-rently chairman of FKI Bab-

Renfrew boilers business, was put together with FKI Electricals, a much smaller company headed by Mr Gartland, in the summer of 1987. Despite the grandeur of its name, Babcock was incurring heavy losses and Mr Gartland "rationalised" it with the loss of 1,700 jobs and the closure of 10 factories.



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GOLD MINING COMPANIES' REPORTS FOR THE QUARTER ENDED 30 JUNE 1989 All companies mentioned are incorporated in the Republic of South Africa

- Improved rand gold price
- Costs contained
- Working profit up by 15 percent

STILFON	TF	INI				
				5		a af
Gold Minin	ig C	om	par	iy L	mu	ea
Company Registration No. 05/						
Margaret Shaft bac	ск іп с	perati	an			
lesued capital -13 062 920 sha	res of 50 c	cents each		1		:
1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		:.	Querrer		ded .	ended
OPERATING RESULTS	•		30.6.19 69	31.3.1	989 "	90.4. 1989
Mined		· (m²)	40968 218000		000	77.536 369.000
Ore miled underground eurface dumps optal Yield underground		@	287 000 605 000	228		615 000 684 000
Yield-underground		(g/g)	4.2	303	5.5	4.7
			2.4		29	2,9
Gold produced		(kg)	1225 32 122		111 131	2238 31 851
Working couts		(A/ng)	26865	28	878	28866 76.28
Worlding Income Gold price received:	por	(Rika)	3267	. 2	485 253	2786
Gald brice received		(R/kg)	32.038		126 -	31 885 385
PINANCIAL REPLIETS (R'00						
Working revenue			39349		597	73.936
Working costs			36347 4002	- 2	084	6505 2 534
Sundryincome—net			1115		419 020	2 534
Tribute payments—set			7988		420 ·	2408
income before traction and St	pter's shap	neof	3 129		522	8651
Income. Taxation and State a share of in	COIDS		(527)	2	515	1988
Dividend retained—Chemiwas Income after taxation and I	tinte's a	here.	24000		: .	24000
ofinocese			27 656		007 -	30 063
Capital expenditure	•		340 26 126		188	- 506 - 26 128
Concentration						
	•	Quarter		Quarter _	4	months .
	Vaci	0.6.1989	Veel	1.3.1909	Vest	0,6.1989
DEVELOPMENT	Roof	V.C.R.	Roof	V.C.R.	Reef	V.C.R.
Advanced (m)	897	164 122	263	25	1795	199
Advanced on reef (m) Sampled (m)	270	106_	185	" 15	505	120
Sampled (m) Channel width (cm) Average value	11	44	11	73	11	48
- pold (at)	106,6	16,6	140.0	44-	118,9	14.3
- uranjum (em.ph)	1 132 2,385	0,325	2,483	320 0,045	2,418	0,272
(cm.kg/t)	25.28	14,46	26,82	3.27	25,88	13,05
REMARKS	•					
- Mergaret Straft is hoisting being cleared from shaft bot	one from	e tempor	ary. loadin	g box wi	vilat the	ubble is
- Estimated capital expanditus	reforthe	next six m	ondis-R	3 million		
- Interim dividend No. 70 of 20	O cents p	ersham w	es declare	d, .		1 1 2

BRACKEN Mines Limited			
Company Registration No. 59/01128/05			
Improved results			سند
	_	_	
Insued capital 14000000 shares of 90 cants of OPERATURE BESTIETS.	Quarter ended 30.6.1989	Quarter ended	8 pronths ender 30.6.198
Mined (m²).	47 617 154 000	45485	145 176
Yield	3,4	3.2	1 68
Yield (p/d) Gold produced (p/d) Working revenue (RSg) Working costs (RMg)	32 571 30 285	32 732 32 496	32 997 81 422
Warting Income (Rix miliad)	102,42	103.99	99,43
Gold price received(P.lieg)	32 155 379	81 255 399	81 883
PHANCIAL RESULTS (P. 1900) Working revenue	18077	17 806	55.630
Working costs	16797	17 878	5290
Working Income Sundry Income—net	1 280 717	582	· 2644
Tribute and royalty payments—net	100		
Income:	.1 897 362	683 224	. 4 147 729
income after togetion and State - share of income		459	3418
Capital expenditure	1535 340	153	682
Dividend declared		1 400	. 1400
DEVELOPMENT - Kimberley Reef Advanced	414	473	1648
Advanced on reef	93	22 16	790 191
Channel width (em) Average value – gold (grt)	87.2	144.6	47.7
(cmg/)	875	1 300	715
- The planned scale-down has reduced prod	retion to 64	100 mm ner s	month at a
marginally increased grade. — Estimated capital temporiture for the next six			
- Estimated Cabical archanostrue rough unitract	monors-R1,2	minor.	

BUFFELSFONTEIN

Company Registration No. 01/01978/08 Reduced operating loss resto	ores ove	rall profit	tability
jesued capital - 4 250 000 ordinary shares of R1 a - 25 000 deterred shares of R2 a	sch.		
OPERAYING RESULTS Mined (m²) Ore milled—underground (t) - surface dumps (t) Yield—underground (g/t) - surface dumps (g/t) - surface dumps (g/t) - surface dumps (g/t) Solid produced (lag) Working revenue (fifty) Working locotts (fifty) Working locotts (fifty) Working locotts (fifty) Gold price received (fifty) Gold price received (fifty)	Cluaries anded 30.6.1989 22986 81 000 157 000 238 000 0.5 2,8 480 32310 32764 66.08 (454) 32 086 376	Quarter ender 31.3.1969 30 889 163 909 214000 317 909 1.8 856 31 139 40 938 73.88 (8 900) 31 112 335	6 months ended 32.6.1969 54.625 184.000 371.600 555.000 4,8 0,5 31.965 31.662 38.759 70,54 (50977) 31.568
#MAANCLAL NEGULTS (R*000) Working revents Working income flows: Sundry income net Tribute and revettee net Incomefices) before texation Tacation	15509 15727 (218) 888 770	18211 23421 (8210) 771 (4439)	33 720 36 148 (5426) 1 759 (3 669)
Capital expenditure/(recoupment)	(317)	(387)	(704)
DEVELOPMENT Advanced (m) Sempled (m) Channel width (cm) Average value – gold (pt) REMARKS	986 454 486 144 7,4 1072	976 604 465 200 5,6 1125	1 962 1 098 951 171 6,4 1 098
Additional psyable face was established durin Emphasis is being placed on the reductior production levels. Estimated capital expenditure for the next six r No interim dividends were declared.	n of overhea		th raduced

Company Registration No. 63/05225/05			
Declines under way			
lesued capital – 18 000 000 stock units of R1 esc		Querter	9 months
	Ouerter ended	ended	endet
OPERATING RESULTS	30.6.1989	37 3.1989	30.6.198
Mined(m²)	113965 626000	109 905 527 000	350 701 1 571 000
Ore miled(t) Yield(p/t)	5.7	5.7	5.7
Gold produced	3 001	3000	0.65
Working revenue (R/kg) Working costs (R/kg)	31 895 18 503	31 376 16 261	31 983 10 457
(R/t milled)	105,67	103,95	105.10
Working income (R/kg)	13 392	13 1 15	13 525
Gold price received	31 762 384	21 279 407	31 901 407
FINANCIAL RESULTS (R*000)			
Working costs.	95 717 55 528	94 129 54 784	286 273 165 210
Working income	40 189	39 345	121 06
Sundry income-net	4 562	2 103	9337
Income before texation and State's share of			
facome	44 741 23 829	41 448 21 649	130 400
Income aftertaxation and State's share	23053	- I design	2100
of Income	20 912	19 799	F9 314
Capital expenditure	7 231	5 /38	18 95
Dividend declared	-	27 000	27 000
DEVELOPMENT - Kimberlay Reaf Advanced (m)	3174	2148	10.051
Advanced on reef	1047	1 197	3 536
Sampled	996	1149	342
Channel width (cm) Average value – gold , (gft)	33 21,5	28.3	24.0
- (cm.g/t)	710	648	78
REMARKS			_
- Sinking of the Northern and Eastern deck	NOW STATUSE IN	MISY CHE YOU	ir. The res
- Estimated capital expenditure for the next six	months-R10	Omillion.	

A CONTRACT OF THE PARTY OF THE	
Chemwes Limited	
Company Rightration No. 6402578/08 (Asubeldiary of Stiffornein Gold Mining Company Limited)	
Extraordinary dividend	
FINANCIAL INDESTRICTS (NYOCO) Unaction Unaction State Accumulation Section Sec	onths suded 3.1999 2897 1 118 50000
From the contract of the contr	
The GROOTVLEI Proprietary Mines Limited	
Company Registration No. 01/02088/08	

Company Registration No. 96/33934/06			
Costs contained			
seued capital 11 000 000 ordinary shares of Ri 32 480 158 currentative preferen	sech.	each.	
and the second s	Quarter	Querter	Year
OPERATING RESULTS	anded 30.6,1989	ended 31,3,1989	ended 30.6,1969
Mined	129 236	726515	534773
Ore milled	684 000	562 000	2368000
Gold produced	3664	3 521	8,4 16058
Working revenue(RAIg) Working costs (RAIg)	31 999	31 258 27 099	32 259
Working income (R/t milled)	168.38	169,78 4 159	166,99
Gold price received	5959 31861	4159 31 188	5098 32212
(S/oz)	377	396	406
Clevenicates			
Pale treated	682 000	582000	2366000
Yield:(Ag/d)	- 0,77	0,16	0,18
FINANCIAL RESULTS IN 10003			
Gold - Working ravenue	117 243	710061	485758
	21832	95415	396444 90314
Frankers - Working Income	5296	3366	19637
Sundryincome-net	4 520	3 324	12999
(thurspayments-not	3592	2 437	12834
Recommended out and and successive a first a facility of the	28 156	18898	110116
profithing State Americante	10238	8413	38723
Bitme pagishing State Attitre of Income Novidenticonico - Champeot Line by State of Google - Rectification	2857	1886	8329
poorne after territor and Brace a share	20774	15321	80022
Diplini expenditure	3430	2 826	16821
Dividends declared - ordinary shares	41 250 15 000	9.841	\$9950 43729
DEVELOPMENT - Vast Reef and Kinked C		201,	40,00
Flore	A		
Advanced on reef	325	5530 442	· 23576 2089
Sempled (m)	326	400	1980
Channel width	. 97	100	83
gold	12.2	84	12.7
-uranium (kg/t)	0,296	0,265	0,361
(cm.lg/t)	28,83	25,66	28,58
MINAPOCS .			
The Textiary Shaft fossibility study has a confitable in its present form and at current go	een complet	ed. The pro	ject le not
- Estimated capital expenditure for the next six	months-RB.9	million.	
- Plasi dividenda No. 64 of 375 cents per ordi rigipect of the preference shareswere declare	hery share the	d No. 9 of R1	5 million in

	SUM	ion N	D. 72f	10604	W06									
Product	ion	res	tor	ed										
saved capital	-260	00 00) sha	res of	no-	parve							_	
PERATING.	REST	ris.						Quert ende LE 19	eď	_ 7	uurter Indea 1, 1989		9mo	nded
Mined						(a)		4250	20		8 561 54 000			000
Sold produce						(at)		18	9		5,8			5,9 878
Norking rever	nue				6	R/log/		32 10	BO		1 270	i	31	389
Moterna costs	٠		•••••			R/kg)		1897 1193			16317 18 93			585 5.64
Working Incom	me				6	R/log)		13 1	B4.	•	1,953	i	13	394
Sold price rec	erved.				: 7	vkgj \$/oz}		320	15	3	11 205 387		31	853 397
HNANCIALI								-						
Working rever	MB	•••••			••••	••••		51 81 30 44			15 967 28 396			643
Workingcosts							21 15	50		7571	62 655			
Sundry Incom	0-DE	t						18			1012			675 405
ncome before	DEPUB	non an	nd Sta							-			-	
ncome	tate's	aban.	ofle	COCD		••••		21 21 891		1	8 772 3 868			926
ncome after	town	tion (and 8	tute		are.				_				
apitěl expend							- :	123	_	_	7854			819
Aividend deck	red .				****		1.6		-	- 4	2 600	<i>i</i> .		000
					del		à	erter e					ooths (
DEVELOP-	Sand :	Londor	didde	7	1989	(America)	Londori		'A"	Sheet.	geder!	in the		uses B
MENT	Bra		Roof	Beer	Marc!	Bear		Real		Reef	Real	-	Roof	
Idvanced	2292	891	117	-	5	1537	745	62	36	5221	1901	396	35	6
retf (m)	176 712	342 778	.35 .28	=	5	· 政	350	23	25	320	965	770		5
ich (cor)	136	168	136		168	126	215	-	199	132	202		-	169
bremge velice			_					-			_			_
pole (g/t)	11,4 1565	25 41	476	:	318	12,8 1612	3,8 675	4	134	1009	533	5.4 521	69 136	1,9 316
155.00														

Trial stoping starts at No. 6	Shaft		
issued capital 12 180 000 shares of R1 each.			
	Quarter	Quarter	9 months
OPERATING RESULTS	anded 30.6.1989	onded 31.3.1909	30.6.198
Mined	122 468	135 769	396 75
Ore milled(t)	486 000	605,000	150600
Yield(a/t)	5.6	5,6	5.
Gold produced	2301	2 840	8 48
Working revenue(R/kg)	32376	21 720	32.25
Working costs(R/kg)	20896 118.00	20 725 113,16	2034: 114.5
Working income (Rin)	11 482	11595	1190
Working income(R/kg) Gold price received(R/kg)	32 006	31 398	3188
(5/or)	378	401	39
PENANCIAL RESULTS (R'000)			
Working revenue	90 690	90 086	27352
Working costs	68 529	57 156	172 57
Working income Sundryincome—net	32 161 2 725	32 930 2 087	190 95
Tribute and royalty payments—net	(20)	194	35
Income before textetion and State's share of			
Taxetion and State ashare of income	34 906 6 353	34823 13330	107 46
income after tweetlen and State's chee	0.333	13 330	3302
Second attent part and and brane a seed	28 563	21 493	74.44
Capital expenditure	19820	11 248	45.88
Dividend declared	13050	20 097	2009
DEVELOPMENT - Kimberley Real Advanced (m)	31921	3793	1087
Advanced on rect	734	679	192
Sampled (m)	657	676	1.64
Channel width (cm)	. 77	. 70	7
Average value – gold(g/t)	13.9	188	. 100
	2010		1 200
REMARKS			
 Trial stoping has commenced at No. 6 Ventions of the T6 level ejevation and remains with the T6 level ejevation e	lation Sheft,	The No. 6 Mai	i Shaft had
- Estimated conital expenditure for the next six			
 Parkusted cubits exbendium tours user ex 	months - H33	maion.	

		1000	ot a militar	C 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
The	GRO	TVI	FI		
				sitori	
	prietary				
Company Pa	glidradon No. 01/0	2082/06	d		Ly Y
Restruc	cturing impr	oves resi	ilts		
legued capits	4-11 436810 stock	units of 25 cen	ts oech.		*
			anced 30.6.1989	Quarter ended :	6 month
	GRESULTS .: .	· · ·	48,000	21.3.1989 83000	.30.6.796 + 11100
Ore milled -	Exactororound	(a)	189 000	268 000	467 00 2000
	surface duraps		7000 198 000	281 000	47700
Yield unde	rground of dumps ined	(07)	- 0.7	0.7	0,
Gold aroduc	andd	(kg)	760	821	158
Working rave	enue	(R/kg)	31 791 31 091	31 758	81 38 31 43
Working ing	ome/(loss)	(Pirk milling)	120,58 - 700	(367)	104.2
Gold price re	coived	(R/kg)	31 867 388	30 996 403	. 37 31
PHANCIAL	HESULTS (11'000		24 161	25462	49 61
Working com	6rjuë		23 629	26073	4970
Sundayingou	716-06t	***********	532 582	963	- 154
Tributhe verse	nents-net		941	263	122
Taxation		**********	<u>380</u>	.:167	-49 72
Capital expe	politura (recoupme	nesi	(28) \$72	33	57
Dividendided	stered	Dearer	2	arter .	6 month
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A division of Buffelstonesin Gold Mining Comp	pecy Limited)		
Good performance			
n perme of an agreement, 16 percent of the dist nice is stributable to Buffelsfontsin and 94 pe	ributable incor	me from the Bo Mines Limite	ed.
	Quarter.	Quester	Yes
The second secon	. anded	anded 21_3,1989	anded
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field	3301	15 294	8,1 19,015
Marking revenue	- 32013 16 570	31 306	32302 16343
Voriding costs(Rike)	149 97	138,70	140,37
Verlding Income(Rding)	13443 31942	13 249	13 969 32 265
(\$102)	379	396	406
HANCIAL BETULYS (R'000)	706.675	103 723	420410
Vorling revenue	7000/5 e1 298	59 428	238 738
Working Income	3130	43 695	181 678 7 859
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EMARKS			
Estimated capital expanditure for the next six	months-R11	million.	M
The attention of appreholders is drawn to Limited, which appears elegwhere in this solit	ion.	usbour di pe	OUTE ANDRO
The amount of #21,061 million too saving she part of the objection lodged with the COM	Ciam alterna per	veneza Sheret	oriement of
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Company Registration No. 59/01124/05	diam Dia	2/4	
Reef intersected in the Nor		CK	
issued tapital — 16 000 000 shares of 65 cents of			8 months
	Quarter ended	Quarter ended	anded
OPERATING RESULTS	30.8.1969	31.3.1969	30.6. 1999
Mined(t) Ore milied - underground(t)	42 934 156 000	51 000 182 000	169 324
-surface dumps//	87 000	96000	258 000
- total	245000	278 000	864 000
Yield — underground(p/t) — surface dumps(p/t)	0.5	0.5	0,5
-combined	3,0	2,5	2,9 2 248
Gold produced	32525	32 319	32 548
Working costs	25650 79.88	31 764	28 157 75.88
Working Income (R/kg)	5885	556	3391
Gold price received (R/m)	31 571	31 301	31 729 405
(\$/62)	365	414	400
FINANCIAL RESULTS (R'000) Working revenue	23 90 5	32300	73.169
Working costs	19505	21 817	65 545
Working Income	4311	383	7 624 1 573
Sundry income—net Tributé and royalty payments—net	904	3/5	3
income before recution and State's share of			
neoma	5212 1 317	761 (401)	8 194 7 880
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efficame	3 836	1162	7 5 1 4
Capital expanditure	1 333	836 2.400	2 599 7 400
Dividend declared	_	2400	2400
DEVISIOPSEENT - Kimberley Reef	1243	1416	4 699
AN GRADUL CO. DE	274	304	982
Sampled (m) Channel width (an)	272	358 24	1014
Average velue — gold (9/7)	16.9 371	28.4	18.6
(cm.g/t)	371	682	522
REMARKS The 14 cross-cut north into the Northern B		N. 45561 L	late-resided

Company Registration No. 05/						
Steady performan	ce					
lesund capital - 9 625 000 ordin - 3 825 035 'A' o - 3 825 035 'B' o - 2 455 000 'C' o	umuladv umulativ	e preferer e preferer	Co shares	of R1 eact	_	
OPERATING RESULTS			Quarter ended 30.6.1969 110.765	200 31.3.1	erter eded	0 month ender 30.6.198 214.45
Ore milled		(t) (g/t) (kg)	530 000 5,0 2 050 32 167	540	5.0 700 188	1 070 000 5.0 5.350 31 660
Working costs Working Income Gold price received	(Ret	(RVkg) milled) (RVkg) (RVkg)	27 893 139,47 4264 32 080 374	13	088 5,44 100 246 386	27 487 137,43 4 181 31 659 385
FINANCIAL RESULTS (8'00) Working revenue Working costs		*****	96.215 73.917		208 138	169423 147 055
Working income Sendry income—net Income before taxation and Sta			11298 3003		070 653	22 368 5 656
income Taxation and State's shere of in Income after taxation and State	come	· · · · · ·	14301 1431	12	723 740	28024 2171
Income. Taxation offset on Oryx capital Attributable to ordinary sherel	expendit	9	12 870 3994 0 876	4	983 527 455	25.853 8.521 17.333
Capital expenditure		:	702 15 400	,	328	2 030 15 400
DEVELOPMENT		erended 19.6. 1999 Leader Reef		rended 1.3,1999 Leader Real		
Advanced on reef (m)	3301	3 49 140	3 060	160	709	508 239
Sampled (m) Channel width (cm) Average value	372 109	163 233	261 243 131	128 196	815 117	281 216
-gold(grt)	10,1 1 101	4,0 936	6.8 885	3.6 704	8,7 1016	3,5 830
REMARKS — A programme to improve pro — Estimated capital expenditus		next six m	conthe R4	l,8 million		

	Randex Limited)				
Yield an	d profit de	eteriorate		-	
1 1 1	- :		Carrier .	Quarter	16 mont
OPERATING	APPLICATE .		DA ANGER	27.3.1909	30.5.18
Allowed		(m²)	68000	13513	. 781 . 3650
Ore milled - 4	nderground	(0)	48 000	40000	17500
			107000	98 000	5400
	ground		0.6	0.9	
-comb	71862	760	210	224	12
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Working cost		Her milled)	84.98	62,12	67.7
Working Inco		The state of the s	32 (57	4067 31204	216 316
Gold price re	alved	(\$90z)	278	300	. 4
PHANCIAL.	MERULTS (R'00	(0)	6765	5960	392
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Working loop	me#ild##i		(188)	911	120
Sundry incom	- DOC		172	1162	39
Income befor	SOUTH THE RESERVE		25	4	. 40
DEVILOPE	ENT		-		1.20
		(10)	. 57		74
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	respective of the second	
NOTES		
1 On 10 July 9	1989 dividends were declared by certain of the a	povementioned companies,
payable to m	members registered at the close of business on	4 Angust 2000,
The registers	rs of members of the companies will be closed f 868, back days leaked va.	TOTAL / MUSICAL TESTS TO
The divideor	de ma declared to the currency of the Republic (of South Africa, Payments
· from the Uni	idad Kinadam allian will be mêdê in Starfing St	the citie of witchmore rulling
on 1 Septem	abor 1960, or the first day thereofter on which a	rate of exchange is
avallable		
Designation of	erzetz will be posted on 15 September 1990. A non-sistelent sherebokkers, traction of 15 pag	and the desired
The full sens	distanced payment may be impected at or outs	and from the resistered
office.		
Z: Developmen	nt voluce represent actual results of sempling.	No allowance has been made
	streets which may be necessiry when estima	ting are recerved.
3. All Translet	Agree are unquilled.	4
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egistered and bend office eneral Mining Building Hollard Street Namnasburg 2001 O Box 51820, Marshelltown 2107)	Transfer offices South Africe: Central Registrars Limited 154 Mericel Street, Johannesburg 2 (PO Box 4844, Johannesburg 2000)
	United Kingdom: Hill Semuel Registrars Limited 6 Greencost Place London SW1P 1Pt
and the same of th	
ensor (URC) Limited DBJy Place Unidon EC1N BUA	

Carper Grow
Guicer Group

completion.
CORESTRUCTION Hoist chambers and ancillary excavations on 4 and 5 levels are nearly completed Underground development advanced 486 metres (previous quarter 879 metres) are excavation of 16 922 cubic metres (previous quarter 16 998 cubic metres) was completed. Civil., mechanical and electrical construction is proceeding according to plan.
EXPLORATION Boreholes have tailed to confirm the postulated extension of the known orebody.
REMARKS - Capital expanditure is financed by loans from Oryx Gold Holdings Limited. - To dote capital expanditure of R327 million has been committed, of which R261 million has been committed, of which R261 million has been apent. The programme continues on budget. - The attention of shareholders is drawn to the questerly report of Oryx Gold Holdings Limited, which appears elsewhere in this edition.

to sparkle

with 32%

downturn

INCREASED MARKETING

expenditure on cider and

higher interest charges con-tributed to a 32 per cent fall, from £15m to £10.2m, in pre-

tax profits at H P Bulmer for the year to April 28. Mr Esmand Bulmer, chair-

man of the cider manufactur-

ing and retailing group, said the results reflected in large measure the decision to invest

more money in marketing cider hrands with the group gaining market share in a dull

Turnover was £195.9m com-pared with £178.9m the previ-

Operating profits were £13.7m against £17.9m last

Interest charges rose from £1.7m to £2.9m. Group borrow-

ings increased to £13m, mainly

dne to the acquisition of Symonds Cider in July

There were no extraordinary items, compared with £2.7m

last time. Mr Bulmer said the beer dis-tribution husiness again made

excellent sales progress, while

profits from wines and spirits

made progress in some areas. Earnings per sbare were 9.84p, down from 15.6p. The

directors recommend a final of 4.26p (3.9p) making a total div-idend of 6.9p (6.5p) for the

Hanson has increased its stake

in Wassall, the mini-conglom-erate headed by two former

Hanson executives.

It has bought \$66,000 more shares, bringing its holding up to 3.12m shares (13.39 per

Hanson, one of the original backers of Wassall, said the

decision to increase its stake

followed an opportunity to buy a line of stock at an attractive

Hanson/Wassall

lia £1.8m (£366,000).

By Lisa Wood

Discotheques prove merit of investing in quality facilities

theque business had proved

the merit of investing in qual-

ity facilities at key locations.

The first half saw further

organic growth from these

five new Super Bowls plus newly refurhished bowls, had

significantly boosted profits for

this husiness. Investment in squash and fitness cinbs and in snocker continued to produce

Both of the group's West End theatres saw the end of successful productions in the first half. Lord Delfont said the

two new productions - Any-thing Goes and Aspects of Love - looked set for extended

The contribution from property was £1.2m compared with last year's £794,000, which was

The profits flow from the

operations.

First Leisure soars 36% to £8.2m

By Lisa Wood

CONTINUING STRONG growth from dancing and sports contributed to a 36 per cent increase in pre-tax profits from £6m to £8.2m at First Leisure in the six months to April

Lord Delfont, chairman, said the good results stemmed from the continued implementation of the group's clear strategy for growth. Future prospects were good, with the group aiming for pre-tax profits growth of at

least 20 per cent a year. Turnover for the half year increased from £82.2m to cent. Operating profits were 99.3m, an increase of 35 per cent with interest charges at £1.05m compared with £815,000

The resorts and taverns division made a profits contribu-tion of £558,000 (£590,000) which included the sale of businesses including pubs. First Leisure said the disco-

Bimec expands

£4.5m via rights

has acquired Allan Ford Air-

net assets of £400,000. Its principal client is Rolls-Royce. Mr Sam Smith, Bimec chair-

man, said the acquisition was in line with the group's planned expansion in the envi-

ronmental, electrical and aerospace sectors.

The rights issue will involve

12.7m shares, underwritten by

Kleinwort Benson, at 38p per

share, compared with yester-day's unchanged market price

of 48p. Mr Smith said he will

take up his entire 925,000 enti-

Bimec plans a dividend of at

least 0.75p for the current

and calls for

indicative of the company's active management of its free Earnings per share of 4.2p,



Lord Delfont - aiming for profits growth of 20 per cent

showed an increase of 45 per cent, with the directors propos-ing an interim dividend of 1.125p, an increase of 25 per cent on last year's 0.9p.

• COMMENT First Leisure's results confirm

that personal consumer spending on hospitality is not falling in the UK. The company's dencing and sports division – with their small ticket spend performed particularly well.
 Heavy investment in these two areas last year by First Leisure will continue to strengthen their market presence - and their contribution in the coming years. This in turn will give greater equilibrium to the first and second half contributions which have in the past been affected by the seasonal-ity of some of the businesses. A large scale refurbishment and re-development programme of the company's resort assets will start to roll out this year. Analysts are looking for about £26.4m for the full year — with interest costs fixed for this year and next — giving a prospective p/e of 15.6.

Logitek higher at £2.75m

By Alan Cane

LOGITEK, a computing Bimec, the USM-quoted effluent treatment engineer, services company hased in Standish, Greater Manchester, which specialises in Unixwhich specializes in Unix-based systems, reported sharply increased revenues and profits for the year ended March 31.

craft Services, a private aero-space industry supplier, for up to £3.75m and is making a one-for-four rights issue to raise £4.53m, writes Edward Revenues were np 37 per cent at £29.2m, against £21.37m, while pre-tax profits The initial payment will be £1.65m; a maximum of £2.1m in profit-related consideration rose 34 per cent from £2.06m to

in profit-related consideration may also be paid.

Allan Ford, based in Lancashire, produces complex aerospace shapes using high temperature alloys. It earned £269,000 pre-tax in the six months to March 31 and has not assets of £400,000. Its min-The result was achieved despite a softening in the UK market in the third quarter and increased competition.

Logitek is a distributor of computer systems with special interests in communications and networking. It supplies In January it formed a new operating subsidiary, LTSS, from its technical services division to concentrate on providing third party maintenance, networking and communica-

systems manufactured by

Altos, Wyse Technology and

3Com of the US and Sony and

Panasonic of Japan among oth-

tions and training.

Formation of the new subsidiary was part of a wider group reorganisation which saw Logitek established as a holding company with two operating subsidiaries, LTSS and Logitek

According to Mr Jim Pickup, chief executive, improved sales

and profitability resulted from a number of factors including an emphasis on decentralised financial controls and management of assets and enhanced product portfolio. During the year new distribution agreements were signed with Pana-sonic, Racal, Milgo and Infor-

Logitek is profiting from the move among computer users to systems based on Unix, operating software for small and medium-sized computers, which is an industry standard. Earnings per share increased to 15.28p (11.49p). The proposed final dividend of 2.4p makes a total for the year of 3.6p (2.7p).

Alpha Ests for USM with £8.8m tag

By Vanessa Houlder

ALPHA ESTATES, commercial property developer, is coming to the USM through a placing that capitalises it at £8.8m. Gilhert Eliott Corporate

Finance is placing 1.9m shares at 75p. Dealings are expected to start on July 27.

The company has completed nine projects since its forma-

tion in 1985 and is engaged in a further 12 developments, principally in Yorkshire and the Midlands. At present it is chiefly focusing on Sheffield and South Yorkshire.

"There is a steady stream of businesses relocating or expanding their northern operations," said Mr Andrew Taylor, chairman. "In Shef-

field, we have experienced a 100 per cent rise in office rents over the past two and a half

Pre-tax profits have grown from £44,000 in the year to June 30 1987 to £957,000 in 1988-99. Net asset value at that date amounted to £4.40m or 37.5p per share. The historic price earnings multiple is 12.2.

problem areas had now been was still weak but he was condealt with. The loss making fident that new accounts and

Earnings in the year fell to 16.6p (23.2p). The final dividend is 4p for a total of 5.6p (5.4p) on capital increased by a rights

Bespak up over £500,000 to £3.7m

Taxable profits of Bespak, a manufacturer of specialised aerosol valve systems, improved from £3.15m to £3.71m for the year to end-April. Turnover was some £2m higher at £20.26m.

looked encouraging now that the company had a sound base in a growing market, a wider customer base and new prod-

US was becoming increasingly important and that sales had

£1.23m for a 40 per cent interest in Elettro Plastica, a Milanbased manufacturer of pumps and plastic injection moulding. The share of losses of associ-

to £108,000. Earnings emerged 2p higher at 17.8p and a final dividend of 8.75p raises the total by 1p to

Total Systems profits slump

Total Systems, the USM-quoted supplier of computer software and bardware, yesterday reported a collapse in profits and passed its dividend for the year to March 31 year to March 31.

Profits slumped from £835,000 to £97,000 on turnover

Bakery and Flour Mills. However, benefits from a rationalisation programme started in the

Bulmer fails Benjamin Priest encounters favourable winds to top £8m

By John Thornhill

HELPED By the first full-time contribution from its Lewmar acquisition, Benjamin Priest Group raised pre-tax profits by 54 per cent, from £5.3m to £8.19m, in the year to end-March.

March.
Mr Christopher Walliker,
chairman of the West Midlands
based engineer, said: "It was
an extremely good year and
hetter than we expected.
Everything went well for us."
Lewman, the yachting equipment maker hought in 1987, contributed 53.12m (£1.29m) to trading profits, benefiting from reorganisation, further investment and product develop-ment, Mr Walliker claimed.

market. Cider marketing expenses were increased by £5m and Overall, trading profits were np 52 per cent at £9.02m (£5.95m) - a proportionately marketing expenditure on other drinks by more than 50 (£5.95m) — a proportionately lower interest charge of £829,000 (£631,000) was responsible for the slightly greater advance at the pre-tax level.

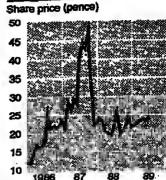
Operating profits by division were: specialised components £3.03m (£2.36m); marine products £3.12m (£1.29m); engineering services £3.25m (£1.59m).

time.
Clder and fruit juices contributed £7.4m (£12.8m), wines and spirits £2.5m (£2.9m), Pectin £2.5m (£1.7m) and Austra-

ing services £2.35m (£1.52m).
Tax payments rose from £1.35m to £2.35m representing an increase from a 25 per ceut to 29 per cent rate. Next year, Priest expects to incor the full tax rate of 35 per cent.

Richfield Marine Thrusters, which makes hydranlic

Benjamin Priest



systems, was bought early this year and has been incorporated in the marine products division under Lewmar's management It did not contribute materially

this year. In March, Priest sold its Colin Stewart Minerals business to management for 25.36m. This helped to eliminate the group's bank borrowings and tha debt/equity ratio at the year end fell from 26.5 per cant to 2 per cent.

Turnover rose 42 per cent to £101m (£71.36m). A 50 per cent increase in total dividend to 0.9p is recommended, with a final of 0.6p. Earnings per share grew to 2.92p (2.48p)The company is proposing to consolidate its 200m 5p shares

Benjamin Priest has success-

into 25p shares. **e** COMMENT

fully pulled itself round from the losses of the early 1980s and is now growing healthily across the board. There have been anxieties in the City about the Lewmar acquisition as it experienced some difficulties in the first half. But on yesterday's evidence these wor-ries would seem to have been banished and Lewmar looks to have good growth prospects in the power boat sector. Priest's other activities should not be overlooked. They have shown strong sales growth and improved margins and should flourish further as a result of the recent high capital invest-ment; a strong balance sheet following the dignosal of the following the disposal of the minerals business will also facilitate their expansion by means of acquisition. A conser-vative pre-tax profit forecast of \$9.5m puts Priest on a prospec-tive multiple of just under 8. That seems a shade ungener-ous although it should be remembered that earnings will be held back because of the full

Ward Group £9m acquisition

Group. Yorkshire-hased structural steel and building components company with substantial operations on the Continent, is paying £9m to buy Abbseal, a glass processor based in Leeds, writes Clare Pearson.

Ward said some seven of its companies at the moment bought a range of specialist glass for incorporating in building work. The acquisition adds a fourth leg to the com-pany's activities. satisfied with a vendor placing of 2.19m shares, and the issue of a further 620,000 shares to the vendors. Abbseal produced pre-tax profits of £369,000 on turnover of £6.56m in the year to end-March. Net assets are about £1.69m.

The consideration is being

Abbseal expects in due course to establish a glass processing plant in mainland Europe, where Ward has been expanding rapidly by acquisition.

Clyde disposes of Goal stake

Clyde Petroleum, the independent oil company, yes-terday sold lts 18 per cent stake in Goal Petroleum, its smaller rival, for £24.78m, or 104p per share. The stake was placed with a wide range of institutions, writes Steven But-

Clyde acquired the stake in two tranches in early 1987 for

period should be reflected in

future, the directors stated.
Also, the benefits therefrom

to the business caused by the

seven-week strike which

changed hands last October when Mr Mian Sher Moham-

mad Rafique, acting for family interests, bought 62.5 per cent

of the shares from executive

Control of the company

started on February 17.

Clyde said at the time it was interested in a friendly merger with Goal, although Goal said it wished to remain indepen-Both companies have grown

substantially in the intervening 2½ years. Goal shares yesterday closed 7½p lower at 104½p.

Organic growth lifts Harland Simon

Substantial increases in profits and earnings were achieved by Harland Simon Group in the year to March 31 1989. This manufacturer of drive

controls and computer-based systems more than donbled turnover to £40.7m (£19.62in), raised operating profit 85 per cent to £5.82m (£3.14m) and pre-tax profit 64 per cent to £5.47m (£3.39m).

The directors said the emphasis on organic growth would continue but acquisitions would be considered

where appropriate. Earnings came through at 22.9p (14.7p) fully diluted. The dividend is raised to 4p (2.4p) via a proposed final of 3p.

Simon Eng adds to aircraft activities

By Vanessa Houlder

Simon Engineering, the Simon Engineering, the equipment, services and manufacturing group, has agreed to pay \$15m (£9.3m) for the aircraft de-icing equipment business of Trump Industries and Ted Trump Company and certain assets of associated com-

The Trump Group makes and sells truck mounted aerial de-icing equipment for air-craft. This is expected to be complementary to the access platforms, arounds refuellers and airport crush tracks sup-plied by Simon Access. The acquisition will be

based on figures for the year to July 31, showing profits excluding non-recurring items of not less than \$3m and turn-over of not less than \$20m. The assets acquired are expected to be valued at a minimum of \$10m.

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Allegan

of \$10m.
Payment will take the form
of \$10m cash on completion,
plus \$5m payable over five years.

Argyll pleased with progress

Mr Alistair Grant, chairman of Argyll Group, said he was pleased with the current trading performance of the food retailer, and with the progress in the opening of new stores and the conversion of the Presto out-

By March 1991 the Safeway chain, which accounts for two-thirds of group sales at an annual running rate of £2.5bu, would have 370

Raglan rises 73% to £1.5m

RAGLAN PROPERTY Trust. the property developer and investor, yesterday unveiled a 73 per cent increase in pre-tax profits to £1.5m for the 12 months ended March 31. The advance, from £871.889

in the previous year, was struck on the back of a £2.6m improvement in turnover to Mr David Anderson, chairman, said that increased activ-

ity, resulting from the imple-

mentation of group plans over the past two or three years, was now beginning to show through in both profits and the Following the £4.8m acquisition in December of a property portfolio from LAS Investment Assurance and a revaluation of Raglan's existing investment properties net asset value per 1p share was standing 15 per

Authorised £750,000

Directors are proposing an increase in the dividend from

Eliza Tinsley

Largely reflecting organic growth, the Eliza Tinsley Group produced record profits for the year ended March 31,

dend by 21.5 per cent.

The USM-quoted group makes and distributes chains and builders' hardware. It lifted turnover 19 per cent to £14.21m (£11.93m) and pre-tax profit 21 per cent to £1.41m (£1.17m). Earnings were 12.52p (10.28p) and the final dividend is 2n for a total of 4.8 n (2.95m).

in the opening quarter of the current year sales and profits cent higher at year-end at

0.132p to 0.165p, payable from earnings of 0.67p (0.43p). Glynwed International has a 21.6 per cent interest in Raglan's equity.

at record £1.4m

and is raising the year's divi-

is 3p for a total of 4.8p (3.95p). Mr ER Jeynes, chairman, said emphasis had continued

to be on improving market share, greater productivity and higher added value products.

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Application will be made to the Council of The Stock Exchange for the grant of permission to deal in the issued and to be issued shares of alpha Estitute ple on the University Securities between the control of the Stock Exchange of the complication has been made for these societies to be admitted to listing. It is expected that dealings will commence on 27th July, 1989.

Alpha Estates plc

Placing by

Gilbert Eliott

Corporate Finance

1,900,000 ordinary shares of 5p each at 75p per share

were ahead, he said. Profits at Eliza Tinsley & Co advanced significantly, helped by reorganisation of warehousing and distribution. JT Parkes benefited from higher added value products and greater penetration of the grass care market. However Griffin had "a rather difficult year", partly arising from the integration of the plastic garden products division of Clearplas and the move to new premises.

Neepsend declines 33% to £501,000

Neepseud, the Sheffield-based engineering, tool production and metal processing group, yesterday reported a 33 per cent contraction in profits for the year to March 31.

The pre-tax outcome — \$501,000 — was strong year's \$747,000 — was strong

year's £747,000 — was struck after an £84,000 exceptional item. Mr Stanley Speight, chairman, attributed the downturn to increased interest charges and disappointing performances by two subsidiaries. Mr Speight said that the

Neepsend castings offshoot has the growth of own brands been sold, with the purchaser would produce a satisfactory holding an option over land

and buildings. Ferro Alloys and Metals reported a £100,000 decline in profits due to exchange rate and price pressures. The divi-sion now operates with a reduced workforce and is profitable, Mr Speight said.

Interest charges increased from £345,000 to £444,000. Gear-

ing stands at 45 per cent.
Earnings per share dipped to
3.79p (4.97p) and a proposed
final dividend of 0.8p makes
1.2p (Ip) for the year.

Property side raises Authority to £3.1m

Authority Investments, the banking and property group, raised profits from a restated £2.62m to £3.1m pre-tax for the year to April 30. The contribution from bank-

ing and financial services

declined by £290,000 to £2,19m while that from property services expanded by £526,000 to Mr David Blackhouse, chairman, said the group had emerged more focused as an

integrated property finance and dsvelopment company with offshore interests. He believed that despite current uncertain prospects for both interest rates and residential property values the com-pany would present further improved results for 1989-90. Turnover totalled £9.13m

(£13.11m). Basic earnings rose hy 3.5p to 25.4p, or on a fully dilnted basis by 3.1p to 23.2p. A final dividend of 4.25p raises the total by 1.5p to 7.5p.

US problems affect Creighton Labs

Creighton Laboratories suffered a profit reduction of

Apart from the US, "business had been excellent", he said. In the current year the US side

directors and their family interests. Further shares were acquired through a subsequent mandatory offer.
In the period under review, turnover fell from 1£3.29m to

The directors said the future Heavy going for

It was pointed out that the increased by 26 per cent in dol-lar terms. The US business was expected to grow rapidly. Earlier this year Bespak paid

ated companies was cut to £38,000 (£167,000) and interest costs were trimmed by £27,000

IS3.1m, or £2.7m in sterling. The loss came to I£202,000 (I£211,000), or 33.67p (35.17p)

British Bloodstock The British Bloodstock Agency reported pre-tax profits down from £563,000 to £500,000 in the

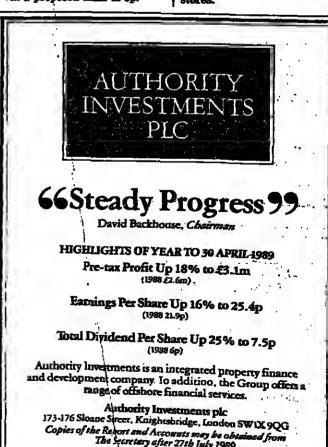
year to March 31 1989.
Mr Michael Wates , chairman, ascribed the downturn to several factors including fur-ther write-down in the value of the stallion share portfolio. higher interest charges, a fall in commission from the sales of stallion nominations and insurance and a higher provi-sion for bad debt.

Turnover slipped to £5.07m (25.38m) with gross revenne down to £47.6m (£49.51m). Howtown to £47.6m (£49.51m). However after tax and minorities, the profit for the year was £361,000 (£339,000). Earnings worked through at 10.1p (9.8p) and the directors are maintaining the dividend at 8.8p via an unchanged final of 6.3p.

Mr Wates said that areas of future increased activities.

future increased activity included the international transport of horses; the expansion of BBA Insurance Services; new stallion syndica-tions; increased market share at international borse sales; the growing use of the Has-tings Hydrotherapy Centre; and the new services of BBA

(£2.84m) or 23 cents per share, up from \$4.4m or 18 cents a year earber, on sales of \$81.5m (\$56m).



Rowlinson

Mr.P. J. Rowlinson Chairman, reports on the year ended

Divideod increased by 50% to 1.35p per share
The revaluation of properties plus additions have increased by 80% to £28.5 million

★ Significant property development projects in hand Copies of the report and accounts can be obtained from the Secretary

Authority Investments pic 173-176 Sloane Street, Knightsbridge, London SWIX 9QG Copies of the Report and Accounts may be obtained from The Secretary after 27th July 1989

31st March, 1989

* Profits increased by 100% to £3.1 million

☆ Gross rental income is currently at £1.9 million

→ Net asset value increased by 76% to £26.4 million

London House, Landon Road Solith, Poynton, Stockport SK12 1YP

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Securities PLC

ROWLINSON SECURITIES PLC

Share capital down from £2.88m to £2.1m; earnings per share were 0.59p (5.58p). Last year's dividend was 0.75p but the directors do almost 19 per cent for the year ended March 31 1989, following ordinary shares of 5p each the warning last month of the adverse effect of problems in not consider it prudent to make a current payment. Alpha Estates is engaged principally in commercial property development, concentrating its activities in Sheffield and surrounding areas. The company, both on its own account and in partnership with others, is currently involved in 12 development programmes. This USM quoted maker of There had been a slow start to the current year but it was too early to predict the out-come. Steps had been taken to Canadian Marconi tolletries, soaps and fragrances saw its pre-tax figure decline from £1.26m to £1.03m, earnings rise 26% Canadian Marconi, the although turnover rose 23 per Particulars relating to Alpha Estates will be available in the statistical service maintained by Extel Financial Limited and copies may be obtained during normal business hours on 21st and 24th July, 1989 at the Company Announcements Office, The Stock Exchange, 46-50 Finsbury Square, London EC2A IDD, and during normal business hours on any weekday (Saturdays and public holidays excepted) until 3rd August, 1989 from: avionics and defence products group 52 per cent controlled by GEC, reported a 26 per cent gain in earnings for the first cent to £8.47m (£6.86m). reduce overheads. The shares yesterday eased 2p to 253p. Weakness in the US market was the main reason for the decline, Mr R D Collard, chair-Revamp at Milford quarter ended June 30, mainly due to the sequisition of Cin-Gilbert Eliott Corporate Finance Bakery to halt slide cinnati Electronics Corp in the US late last year. Net profit was C\$5.5m man, reported. That became Salisbury House A further loss was sostained in the half year ended February 27 1989 by Milford (Donegal) more pronounced and the last London Wall quarter was "most unsatisfac-London EC2M 5SB 20th July, 1989

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progress

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Radical restructuring, involving disposal of non core businesses and the selective acquisition of a small number of global leaders, has transformed 11 Group into a highly profitable, world class specialist engineering company. In order to facilitate communications at the most senior

In order to facilitate communications at the most senior levels, the group is now setting up a new operating head-quarters based at Abingdon Business Park. The Chairman, Menaging Directors of the main business groups and corporate staff will operate under one roof.

This move is regarded as key to the effective control of operations worldwide and has presented opportunities for a number of experienced and talented financial specialists to join the group at a demanding and exciting phase of its existence.

FINANCIAL ANALYSTS

These positions will appeal to qualified Chartered Accountants with not less than two years post qualification experience in a fast moving industrial organisation.

Industrial organisation.
You would be responsible for the review and analysis of financial information from worldwide subsidiaries in order to provide recommendations on a variety of business issues to senior management. This could include work on forecasting, capital expenditure and acquisitions.

The ideal candidates will need to possess the exceptional interpersonnel skills necessary to build business relationships with operating companies. You would be a possess the chies and tanacity to work on your

also need to posses the drive and tenacity to work on your own initiative. Ref MCS/8863.

FINANCIAL ACCOUNTANTS

Your responsibilities in this challenging role would not only include extensive involvement in the generation of accounts for the TI Group, but also the undertaking of projects to further develop and enhance existing accounting procedures. In the Head Office environment you would be the

rocedures, intrie Head Ornice environment you would be in focus for the world wide accousting functions providing technical advice on UK financial accounting procedures.

Candidates should be fully qualified to the countries of two years post qualified experience.

With strong technical accounting additional additional accounting accounting additional accounting accounting accounting additional accounting accountin of treasury management, financial modelling and will be fully up to date with current fully up to caus financial developments. Ref MCS/8864.

accountants— INFORMATION SYSTEMS

The generation of financial menagement information is vital to the continued success of TI Group. These positions will be key in providing that information through the advanced financial computer system. On a day-to-day basis you would be responsible for the generation of the monthly menagement information pack, the annual plan and forecasts. In the locater term are could extend the second continued to the context of the locater term are could extend the context of the locater term are could extend the context of the locater term are could extend the context of the locater term are could extend the context of the locater term are could extend the context of the locater term are could extend the context of the locater term are context of the locater term ar forecasts. In the longer term you could advise on the further development of the TI computer system.

These are challenging positions for computer literate accountants with at least two years post qualification experience. You will have worked in a commercial environment

and will have had extensive experience of producing "user friendly" management information. Ref MCS/8865

INTERNATIONAL ACCOUNTANTS

INTERNATIONAL ACCOUNTANTS
Referring to the International-Taxation Manager you would be responsible for the development of the internal charging of all services provided by one group company to another in additionable role, which will require extensive traversal in additionable role, which will require extensive the services provided to additionable role, which will require extensive the international finance structure.

These challenging positions will require candidates qualified to ACA/ACMA with at least two years' experience in an engineering emission to a consideration of the office you will nave to be self motivated with the ability to mix with all levels of personnel. A knowledge of a European language and tax experience in the self of a constitution of the positions offer major opportunities for accountants looking to develop their career within a fast moving organisation. Career prospects are excellent either within the Head Office environment or throughout the company. Rewards will be commensurate with the importance of the positions and the ability of the successful candidates. The positions carry attractive negotiable salaries, an executive car, and appropriate benefits.

If you wish to be considered for any of the above positions please send a full CV together with details of current salary quoting the appropriate reference number to: Penny Stocks Executive Selection Division, Price Waterhouse, Management Consultants, Livery House, 169 Edmund Street, Birmangham B3 2.JB

Price Waterhouse



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Ideally aged between 30 and 40, you will have several years' experience in the publicity or public relations field, at a senior level, preferably in media-related areas and will have a thorough understanding of the responsibilities involved in running a promotions department. Proficiency in French or German would be an advantage but is not essential.

In the first instance send your detailed CV to Bob Gunning, Senior Consultant, Austin Knight Selection, 17 St. Helen's Place, London EC3A 6AS. Please quote ref: 1024/JRG/89.

FINANCIAL TIMES

GROUP FINANCIAL CONTROLLER (DIRECTOR DESIGNATE)

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Beribiffs active commoditivy pension and adverte ment shall be confirmed following six months mutually satisfactory service.

Candidates, male and female, pieces write in confidence enclosing CV to David T Bentley, Manager, Human Resources, 31 Condultants Limited, 3 The Billings, Walnut Tree Close, Guildford, Surrey GU1 48ft, quoting ref no: DB/862.

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WOLFSON COLLEGE, CAMBRIDGE BURSAR

The college wishes to appoint a Bursar from January 1990. The Bursar has overall responsibility for the investments, finances and management of the College. The appointment could be full-time or part-time, detailed duties and supporting staff being arranged accordingly. The successful candidate will be elected into a Fellowship.

Further particulars may be obtained from the College secretary, Wolfson College, Cambridge CB3 9BB (tel.0223 335900). Applications should be submitted to the President by 25 August 1989.

COMPANY NOTICES

RIGGS NATIONAL CORPORATION USD 100,000,000 FLOATING RATE SUBORDINATED NOTES DUE 1996 In accordance with the provisions of the Notes notice is hereby given that for the period 20 June 1989 to 20 September 1989 the notes will carry a rate of interest of 95g per cent per annum with a coupon amount of USD 245.97.

RIGGS NATIONAL CORPORATION USD 60,000,000

FLOATING RATE SUBORDINATED NOTES DUE 1996 in accordance with the provisions of the notes notice is hereby given that for the period 20 June 1969 to 20 September 1969 the notes will carry a rate of interest of 92 per cent per annum with a coupon amount of USD 247.57

LEGAL NOTICES

he amount of the permissible capital symmetries 527054 in respect of part of be purchase of 500 A Crollomy and 1600 Crollomy Sharms of Ct each, registated to make at Alexander Respect packs? Resculsions approxima, the pay-Special Resolutions appointing the pay-sent out of capital and the contract for the purchase of such shares were passed at an Edvacordipary General Meeting of the Company held on 17th July 1989.

A statutory decleration made by all the Directors for the lists being of the Company and the report of Masers S W Frankson & Co., Auditors to the Company, addressed to the Directors of the Company and required by Section 173 of the Companies Act 1808 are available for inspection on any week day (Saturdays and public holidays excepted) until 21 August 1909 at the registered office of the Company at Goods Depot, Weet Rufelip Station, Mickly.

A Creditor of the company may, at any time within five weeks immediately fol-louing the 17-day of July 1988, apply to the Court under Section 178 of the Com-panies Act 1985 for an order prohibiting the neutrons.

IN THE HIGH COURT OF JUSTICE CHANCERY DIVISION

IN THE MATTER OF GREENWICH RESOURCES plo

IN THE MATTER OF THE COMPANIES ACT 1985

AND NOTICE IS FURTHER GIVEN that the said Patition is directed to be heard before the Honourable Mr. Justice Pater Gibson at the Royal Courts of Justice, Strengt, London, MCDA 2LL on Monday the Stat day of July,

ANY Creditor or Shareholder of the seld Company destring to oppose the melding of an order for the confirmation of the sald reduction of Share Product Account should appear at the time of hearing in person or by Coursel for that purpose.

DATED this 17th day of July, 1908

WALES

The Financial Times proposes to publish this survey on:

11th September 1989

For a full editorial synopsis and advertisement details, please contact:

> Clive Radford on (0272) 292565

or write to him at:

Merchants House Wapping Road **Bristol** BS1 4RW Fax: (0272) 225974

FINANCIAL TIMES

Mallinckrodt Europe

Division Controller Europe Medical Company

The Mallinckrout Medical Company is based in St. Louis, USA and has activities in all European countries with several divisions. The European Headquarters, located in one of the most attractive areas of Germany between Cologne and Bonn, is the administrative centre of the European operations,

INTERNATIONAL APPOINTMENTS

In view of the continuing outstanding growth the company now requires European Divisional Controllers. Reporting to the General Manager and working closely with the European Controller the Division Controller will take full responsibility for all controlling activities including but not limited to the following areas:

For this key position, we are looking for a high calibre, CA or equivalent with minimum 2 years PQE, who is familiar with US and German reporting, has worked in multi-currency environments and has gained hands-on-experience with EDP and PCspreadsheet programs. Experience in industry, although not essential, would be an advantage. A sound knowledge of the

The position carries a salary commensurate with experience and local cost of living together with an excellent benefits package including 30 days annual holiday; a non-contributory pension plan and relocation assistance will be provided where applicable. Future prospects in this challenging position are extremely good for the right candidates who can demonstrate the commitment

and flexibility necessary in this varied role. To apply, please send a CV and details related to past activities to Klaus Stein, Human Resources Manager.

Mallinckrodt Medical Europe Josef Dietzpen Straffe 1, D-5202 Hernet, Tel. 02242/887-178 (W. Germany)

COMMODITIES AND AGRICULTURE

The authors expect the mori-

bund International Cocoa

Agreement to be extended in order to avoid the liquidation of its 250,000-tonne buffer stock holding, which would depress prices still further. They do

not, however, envisage the reactivation of buffer stock buying during the forecast

period. In any case, the report says, reactivation would only be expected to provide, at best, temporary relief to the down-

ward pressure on prices which is exerted by the continuing situation of oversupply by

removing 100,000 tonnes of the

surplus over the period 1990-92. "Indeed," says the report, "in many ways the buffer stock's

very existence adds to the downward pressure on the price of cocoa for its effect is

much greater than a similar quantity of cocoa held else-where . . It is there, its vol-

umes are verified and it can be made available to the market

at short notice if required."
Eventually, the study argues, the low prices forecast

throughout the period to 1992-93 will take their toll of production. But it will take

years for the affects of an

unwillingness to expand acreage or replace old trees to

show through in production

Cocoa price 'has nowhere to go but down'

By Richard Mooney

COCOA PRICES are set to fall further over the next five years as world stocks continue to rise from the present record level. This is the conclusion of a comprehensive report published today by the Economist Intelligence Unit.

Tha price of cocoa has nowhere to go but further down, barring crop disasters," says the EIU. "in 1992-93 the ICCO (International Cocoa Organisation) indicator price is expected to average only 54 cents a lb in current dollars, some 34 per cent less than in 1987-88 (and more than 9 per cent lower than on July 13 this

Although they see income rather than price as the main influence on per capita cocoa consumption, the report's authors expect such low prices to result in unusually strong consumption growth over the period - but not strong enough to halt the inexorable rise in world stocks.

They project that consumption will grow by an average 3.7 per cent a year in the five years to 1992-93, compared with a long term average of 2.2 per cent. At the same time they see production growth slowing to an average 3 per cent a year from 3.8 per cent over the previous 10 years. "So great was the surplus of net production over consumption in 1987-88 (161,000 tonnes), however, that the faster growth of consump-tion than of output forecast for these five years will not be sufficient to eliminate it," the

report says.
In consequence stocks are projected to nearly double from 889.000 tonnes at the end of the 1987-88 season (equivalent to more than five months' con-sumption at the 1987-88 rate) to 1.61m tonnes (or more than

F, THANKS to the global warming of the so-called

greenhouse effect, temperatures increase by 3 per cent over the next 50 years, what sort of agriculture will Britain

Something akin to New Zea-

land's perhaps, where the grass would grow for most of the

year and sunflowers could be harvested in Scotland? Or will

Britain become much drier as

well as hotter, with traditional

products like potatoes, milk or

sugar beet being more difficult to find - their place being taken hy sorghum, soyabeans

Such were the questions addressed by a recent London conference sponsored by the

UK Ministry of Agriculture and

organised by Reading Univer-

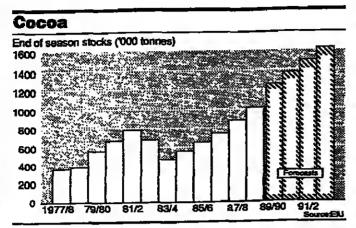
sity's Centre for Agricultural

by university professors and

research institution scientists

The conference was attended

have then?



eight months' consumption) by the end of the 1992-93 season. The report estimates that during that season the excess of supply over consumption will still be running at 115,000

The study warns against taking the stocks figures too literally, however. "Not all the cocoa which is alleged to be in store could be made available to the market at short notice," it says. "Nevertheless, the rising ratio of stocks to consumption seems bound . . . to bring pronounced price weakness with it."

The authors say the apparent paradox of sinking prices being accompanied by strong output growth is explained by the fact that cocoa producers respond to changes in the world price only after a very long time lag. "it can take the traditional cocoa bush seven years to reach full maturity," they point out, "although the new higher yielding bybrids come into full production more

"The rise in production

as well as by representatives of

conservation groups, interested

companies and a handful of

farmers and no very hard and

united in believing that much more information was needed before anyone could be certain

what would happen in Britain

- or anywhere else in the world - if the atmospheric

concentration of carbon diox-

ide continued to increase at its

present alarming rate, and thus raised the world's temper-

However, two broad themes,

and two alternative scenarios

emerged to give a taste of what

(its papers and proceedings are

to be published in full later this year) showed very clearly that the scientists disagreed on

the likely effects and the grav-

ity of global warming. However, most take it seri-

might be in store.

Participants were at least

fast conclusions were drawn.

expected over the next four or five years is the result of planting that took place several years ago when prices were much higher — \$1.09 a Ib in 1983-84 for instance." The report also explains that

there is little scope for short term adjustment of supply in response to unfavourable prices. The fixed costs of pro-duction, in particular the costs associated with establishing the cocoa farm, form a signifi-cant proportion of total costs, it says. "Thus, so long as the marginal costs of production are below the price received by the grower then it is in his interest to continue production at the same level."

"Some high cost producers may cut back on fertilisers, etc, thereby reducing yields, but on the whole farmers continue to harvest as much of the cocoa produced on their farm as they can," the report says.

The EIU says world cocoa production looks set hit a record 2.294m tonnes in 1988-89 and projects that, "assuming

ously enough to accept that there could be a rise in global

temperature of some 3 per cent. This could occasion a rise

in global sea levels of between

15 cm and 200 cm. Britain'a

Department of the Environ-ment thinks the rise could be

such changes will stem not just from the rise in tempera-

tures: the amount of rainfall

and its distribution as well as the extent of heat and frost variation will be critical fac-

Additionally, as Professor

John Marsh, Dean of the Agri-culture and Food Faculty of

Reading University pointed out, Britain could become

colder in a warmer world if the

Gulf Stream changed course, while a host of non-climatic

considerations, from consume

demand to international trade negotiations, had also to be taken into account.

Second, the likely effects of

about 80 cm.

no climatic disasters," the total will reach 2.517m in 1992-93. It attributes the continued steady expansion of cocoa production chiefly to "the increased rate of adoption of the new high yield-

ing hybrid varieties."
No country has made greater
use of these varieties than Malaysia, which, according to the report, has practically all its cocoa area planted with hybrids. And it is this country that is projected to show the higgest production increase up to 1992-93, with an 80,000 tonnes rise from 1988-89 to

300,000 tonnes.
Over the same period Brazil's output is expected to increase from 430,000 to 480,000 tonnes; Ghana's from 200,000 to 240,000 tonnes; Ecuador's from 85,000 to 110,000 tonnes; Indon-esia's from 58,000 to 75,000 tonnes; Nigeria's from 140,000 to 150,000 tonnes; Cameroon's from 180,000 to 140,000 tonnes; Panua New Guinea's from Papua New Guinea'e from 36,000 to 44,000 tonnes; Colombia's from 54,000 to 60,000 tonnes; and Mexico'a from 42,000 to 47,000 tonnes. But output in the Ivory Coast, the world's higgest come producer, is expected to all back from this year's bumper crop of 730,000 tonnes to about 700,000 tonnes in 1992-93.

On the consumption side the BIU says the outlook, "in the absence of any dramatic change in the price of cocoa or chocolate confectionery," is for a continuation of the upward trend "especially if the trend towards greater consumption of solid chocolate bars contin-

Within these constraints, two broad scenarios for UK

agriculture emerged. One based on adequate rainfall, and

the other predicting lower rain-

Under the first, the growing season in Britain would be lon-

ger than now. Crops such as

cereals would ripen more

quickly, and two crops of some species might be grown in a

single season. Some species

today at their northern limit

could be grown even further

as black-eyed peas or sweet

potatoes might be grown. Given adequate rainfall grass

might grow throughout the year. This could lead to

increased milk, beef and sheep

production potential and possi-bly to lower costs, since less

protection would be required

Crops new to Britain, such

figures.

"The world may again see a cocoa supply deficit and soaring prices," it says, "but not before the mid-1990s at the ear-By 1992-93 world consumption is forecast by the EIU to Cocoa to 1993 - A Commodity in Crisis; EIU, 40 Duke St, London W1A 1DW. £140, UK reach 2.377m tonnes, up from an estimated 2.056m tonnes in 1988-89. Set against net production (total production less a 1

Aluminium unlikely to fall much further per cent allowance for processing loss) of 2.492m tonnes, that would leave a surplus of 115,000 tonnes, which would be the ninth in succession.

By Kenneth Gooding, Mining Correspondent

ALUMINIUM PRICES should not fall much further, says the Anthony Bird Associates research organisation in its lat-est industry analysis. Any significant fall from cur-rent levels would result in new

aluminium smelter projects being shelved "and that would create very serious medium-term problems indeed," it adds. Bird predicts primary aluminium prices quoted by Metals Week will range between 75 cents a lb and 81 cents a lb next year. By 1991, when demand is expected to climb again, the organisation suggests prices will settle in a range between 81 a lb cents and 100 cents a lb.

and 102 cents a lb.

Aluminium demand in the second half of this year is predicted to be "weak," resulting in the non-Communist world's

consumption for 1989 as a whole being little changed from last year's 13.94m tonnes.

Bird suggests that aluminium demand will start to grow again from mid-1990 onwards. In 1991, consumption is pre-

dicted to reach 15.3m tonnes, a 6.1 per cent advance on the forecast for 1990. But after mid-1992 consumption is expected to settle back to the long term growth rate - which Bird puts at about 4 per cent a

Currently, demand for aluminium is hesitating and a renewed surplue of metal is appearing. However, Bird does not believe that any significant output cuts are called for.

"When consumption starts to grow again, this metal sur-plus will be needed for there is very little new capacity coming on stream in the immediate future, thanks to the severe underinvestment of recent

years," it suggests. Bird repeats its earlier warnings that, when consumption starts to grow again from mid-1990 onwards, the aluminium supply system will once again he stretched. However, it does not expect the pressures to be as great or the shortages as severe as they were in mid-

Ecuador frees coffee sales

ECUADOR'S Government announced yesterday that it was authorising the free export Quito.

An Information Ministry communique said the decision was made because of the sus-pension earlier this month of International Coffee Organisation export quotas.

between 300,000 and 400,000 bags (60 kg each) of coffee by the end of September instead of the 270,000 bags limit that would have been allowed under the ICO quota. Under the ICO quota system

Ecuador was exporting 1.6m bags of coffee a year.
However, Mr Ramon
Recalde, a big exporter, said
yesterday that sales could
reach 2.1m bags if the free mar-

greenhouse phenomenon, Many were alarmed that, while Mrs Thatcher, the Prime Minis-

ter, was increasing the

resources dedicated to the sub-

Brussels moves to suspend UK fishing law

THE European Commission is taking court action to suspend UK legislation designed to safeguard the livelihoods of the British fishing fleet.

The move steps up the Commission's campaign against new provisions in the Merchant Shipping Act which make it illegal for foreignowned vessels to fish quotas earmarked for the UK.

The Commission has already begun legal action claiming that the restrictions contra-vene EC rules which outlaw discrimination on grounds of nationality. The Commission yesterday

approved a proposal to seek an injunction to suspend the provisions — only in force since April 1 — pending the outcome of the case. The UK Government intro-

duced a special fishing register as part of the act earlier this year, limiting membership to vessels which could claim 75 per cent British ownership.
The move followed complaints from the British fishing fleet that its EC catch quotas were being taken by trawlers from elsewhere in the Commu-

nity which had no national claim. However, the Commission is insisting that, even though the quotas of Community fish have been allocated along national lines, a member state cannot

discriminate on grounds of nationality in the share-out. An interim order as demanded yesterday would force the UK Government to drop the register and continue allowing any EC vessel to fish British stocks, at least until the court's final ruling, which

could take years.

An order suspending the register could be issued within a matter of weeks.

Britain and the Irish Republic have been desperate to protect scarce resources of certain

fish stocks from about 100 Spanish-owned vessels, which have been landing their catches in Spain.
Mr Manuel Marin; the Fisheries Commissioner, has accepted that the difficulty has started spreading to other fleets, particularly in France and West Germany. Neverthe-less, he is determined to press ahead with legal moves against Britain and the Irish Republic

. 241.5

37.74

nationals. Meanwhile, the Commission yesterday proposed limited measures to give member states more freedom to administer their national fish quotas while respecting the obliga-

for discriminating against EC

tions of the EC treaty, However, the British Govern-ment insists that it is impossible to operate auccessfully when national quotas are freely available to other Com-

munity trawlermen.

of coffee until the end of Sep-tember, reports Renter from

One government official said he expected Ecuador to export

Mixed greenhouse effect predictions for British farming's future climate Bridget Bloom reports on the conclusions of a conference into the possible effects of global warming on agriculture The disadvantages of such a situation would include the moisture. The need for irriga-As for the scientists, all agreed that much mora research was needed into the tion would push up costs,

loss of some good agricultural land to the rising sea levels. Diseases new to Britain could also increase. But as Prof Marsh summed up: while the longer growing season would make heavier demands on labour, capital and managewhole would rise with the need ment, "overall, one suspects, most farmers would welcome the new environment. Their costs would tend to fall. The output of agriculture - under the assumption of unchanged prices - would rise and aggre-

gate farm incomes However, under the second scenario rainfall declines and its distribution is patchy. Here, according to Prof Marsh "the effects would be complex but potentially alarming."

New husbandry practices would be needed to cope with erosion and new plant varieties although in some areas this could produce a "north Atlantic California." Under this scenario, agricultural output, especially of tra-ditional crops, would fall and costs to the economy as a

to conserve water. Hills and mountains, already disfavoured in agricultural terms, would become even more difficult to exploit and would suffer the risk of erosion and even greater depopulation. On balance, conference participants seemed to think, global warming would be sustainable, if not downright

Outside the UK, however, it seems clear that it could have the potentially disastrous effect of widening existing gaps between north and south - both within the Euro-

pean Community and in the

ject as a whole, the Govern-ment was continuing to cut the agricultural research budget. Professor Colin Spedding, the director of the Centre for Agricultural Strategy, noted that the Government's concern was less with whether there should be more research than with who funds it. Its intention. was to cut so-called near-market government research and let industry finance it instead. Several speakers pointed out that industry was neither capa-ble of nor interested in funding the sort of basic research into the greenhouse effect on agriculture which was now

for the animals in winter and cheaper foodstuffs could be required to adapt to lower

WORLD COMMODITIES PRICES

LONDON MARKETS

THE FIRM tone in New York helped to London Metal Exchange copper mar to make further ground yesterday, althoung prices finished below the deys highs. The cash quotation followed Tuesday's £43 rise with a ga of £10 to £1,563 a tonne, while the three months position closed £17 up £1.537.50 a tonne. Aluminium continued its tentative rally with casi metal rising \$12.50 to \$1,718 e tonne but some traders thought the market had already lost the upward momentum generated by Tuesday's technically inspired bounce. Nickel prices rose further on sales to Japan believed to be replecing a loss of material from Indonesia because of shipping problems, but other LME metale were lower. High grade zinc relinquished en early geln to end \$30 down on the day at \$1,615 in the cast

SPOT MARKETS		
Crude oil (per barrel FOB)		+ or -
Oubal Brent Blend W.T.I. (1 pm est)	\$15.15-5.25z \$18.00-8.10w \$20.10-0.15w	
Oil products (NWE prompt delivery per t	onne CIF)	+ or -
Premium Gasoline Gas Oil Heavy Fuel Oil	\$194-196 \$160-151 \$86-90	-5.5 +1
Naphtha Petroleum Argus Estimates	\$157-169	-0.5
Other		+ ar -
Gold (per troy cz) Silver (per troy cz) Platinum (per troy cz) Paliadium (per troy cz)	\$371,26 524c \$467.0 \$149,16	-5 -6.65 +0.30
Aluminium (tree market) Copper (US Producer) Leed (US Producer) Nickel (tree market) Tin (Kuala Lumpur market) Tin (New York) Zinc (US Prime Western)	\$1725 1115 ₁ -112c 35.5c 570c 25.00r 434.0c 603 ₁₀	+ 10 + 20 -0.25 -1.5
Cattle (live weight)† Sheep (dead weight)† Pigs (live weight)†	117.53p 175.20p 88.74p	-1.55° -21.7° -2.38°
London dally sugar (raw) London dally sugar (white) Tate and Lyle export price	\$353.6t \$472.5t £333.0	+9.0 +9.5 +4.0
Barley (English feed) Matze (US No. 3 yellow) Wheat (US Cark Northern)	£104 £131 £122.25t	+ 1.5 -0.26
Rubber (spot)♥ Rubber (Aug)♥	59.00p 60.00p	-1.00 -2.00
Rubber (Sep) 🖤 Rubber (Kil, RSS No 1 Aug)	61,75p	-1.00 + 1.0
Geconut off (Philippines)§ Palm Oll (Matsyslan)§ Copra (Philippines)§ Soyabeans (US) Cotton "A" index Woothors (S4s Super)	\$530t \$320t \$340 Unq. \$3.85c 608o	-7.5 +0.56

£ a tonne unless otherwise stated, p-pence/kg nts/lb, r-ringgit/kg, y-Oct/Dec, w-Aug, z-Sep u-Jun/Jul. x-Jul/Aug. 1-Aug/Sep. v-Aug/Oct. #Ment Commission average fatstock prices. change from a week ago. Vi.ondon physica market. SCIF Rotterdam. 🔷 Buillon market

COCO	A E/tonne			_
	Close	Previous	High/Low	_
Jul	864	870	869 857	
Sep Dec	880 929	885 936	885 875 933 926	
Mar	904	205	904 888	
May	811	816	913 910	
Jul Sep	925 940	933	926 923 938 935	
Turnos	rer: 3084 (Indicator p	7026) lots o		lty
price i	lor Jul 19 r Jul 20 10	1085.68 (11 050.55 (1046	00.67) (10 day ave	*
COFF	EE 2/tonne			_
	Close	Previous	High/Low	
Jul Sep	824 925	823 824	822 813 827 814	
Nov	841	641	843 833	
Jen	866	863	867 857	
Mer Mey	983 810	864 905	886 881 910 901	
Turnos	rer: 1939 (1808) lots o	f 5 tonnes	_
ICO In	dicator pr	ices (US c	ents per pound) 1 .67). 15 day averag	or
Jul 18: 84.03 (Comp. da 85.45)	ну 75.26 (75	usr). 15 day averag	,•
	R (\$ per to	nne)		_
Raw	Ciose	Previous	High/Low	_
Aug	320.00	316.00	323.20 317.60	_
Oct	320.00	315.80	325.00 315.00	
Dec Mar	308.00 269.60	306.80 295.80	304,00 303,00 294,60	
Mar Mey	295.60	298.00	298,40 294,00	
Oct	284.00	261.00	256,00 262,60	_
White	Close	Previous	High/Low	_
Oct Occ	413.50 377.00	378.50	414.00 405.00 381.00 377.00	
Aar .	370.50	365.50	371.00 365.00	
4ay	366.50	363.00	365.00	
White	1975 (70s)		lots of 50 tonne	
Parts- 2 Mar 2 2250.	White (FFr 355, May :	per tonne): 2376, Aug 2	Oct 2544, Dec 243 235, Oct 2266, Au	8.
	100 40	1		_
	Clos		in Water and	_
Sep	17,35			_
Oct	17.05	17.30	17.41 17.27 17.13 17.05	
lov	16,91	17.12	16.95 16.90	
PE Inc				_
	er. 4250 (4			_
445 C	IL S/lonne			_
	Close	Previous	High/Low	_
lug Sep	148.50 148.50	149.75 149.50	148.50 148.75 149.00 147.50	
oct Oct	150.75	151.50	150,75 148,75	
Vov	151.75	163.00	152.00 150.00	
Dec	152.75	153.75	158.00 151.00	_
umov	er 10775 (8718)lots of	100 tonnes	
woo				

MAJOR WORLD wool markets are in seasonal rocess and no sales are being held anywhere. Australia, and others t

grower price support applies, were just about down to the floor at closing sales and no further decline in the wool market le therefore possible. Only for currency reasons can the market move. With no reason for buying more than is immediately wanted the consumer country markets.

wanted, the consumer country markets remain dull during the long holiday sea which lasts through July and most of August. Just at present minor enquiry it the home trade is indicated in Bradford prices discussed.

FOHEDO	H MATA	T EXCHA	HOE		(Prices suppl	led by Amei	garnate	d Met	d Tradi
	Clos		Previous_	High/Low	AM Offi			<u> </u>	hitere
Alemink	in, 98.7	% persy (5	per tonne)			Alin	g lumo	wer 13,	,400 ton
Casts 3 month	1718 1720		1705-8 1708-10	1725 17 30/17 20	1725-6 1725-7	1727-	90	30,82	4 lots
Copper,	Grade /	(E per ton	ine)			Plin	g turns	wer 37	100 tor
Gashi 3 month	1562 1587	4 9	1552-4 1520-1	1580/1557 1546/1530	1500-1 1505-7	1542-3		70,40	2 lots
Leed (E	per torm	•)				Pin	& private	wer 11,	000 ton
Ceets 3 months	436-8 417-7		437-0 416.5-7	439/433 420/415	437-5 416-7	417-8		0,572	iots
Michel (3	per ten	ne)					ting tu	THUYER	584 ton
Gash 8 month			12100-200 11 45 0-75	12300/121 11600/115			-500	3,973	icts
Tim (5 pe	r tonne)					F	Ting tu	mover	360 lbn
Cash 5 month	9430- 9436-		9450-70 9450-60	9410 9450/95/0	9410-20 9400-20	9430-4	0	2,490	lots
Zinc, \$p	ocial (lig	A Grade (per sonne)			Flin	g turno	ver 14,	275 ton
Cash S month	1655 1580	65 -6	1635-97 1600-5	1680/1675 1620/1580	1675-7 1565-600	1590-6	.00	10,58	6 lots
Ziec (\$ p	er tonne	,				Rit	ng farm	over 6,	200 ton
Cash 3 month	1510 1540	20 :	(840-50 1535-65	1580/1645	1630-3 1555-80	1543-5	20	8,007	lots
Feb Apr May Turnover	133.0 188.0 207.0	126.0 192.4 212.0	188.9 185.0 207.0 206.0 10 tonnes.		Opening flx Morning flx Atternoors for Day's high	372-37212 371.50 370.70 372-37212	-	29 ½ -21 229 .420 238 .645	
					Day's low	3704-5704	•		
BOYAN	_	AL Emonne							
	Close	Previous			Coins	\$ price		edniv	
Oct Dec Feb	143.00 142.00	142.50 141.00	143.00		Mapleteat Britannia	382-387	2	25 2-2 26 7-2	38
	142.00				US Exgle	362-387	2	236 12-23	25
Turnover	30 (87)	lots of 20	onnes.		Angel Krugerrand	360-385	2	235-236 229-251	
		NES \$10/m	dest point		New Sov.	87-86 87-88		34.64	2
	Close	Previous	High/Low		Old Sov. Noble Plat	502.95-510		00.70-3	
Jul	1347	1338	1345 1336						
Aug Oct	1555 1478	1348	1965 1950 1474 1470		Silver fix	p/fine az	-	JS ota	Kinja
Jen	1317	1515	1520 1514		Spot	322.50		22.35	
BF1	1577	- 1380			3 months	233.50		34.20	
Turnover 145 (222)		_	e months 12 months	344.95 266.70		46,10 68.95			
ORANIS	Enonne								
Wheel	Close	Previous			LONDON ME	TAL EXCHA	HOE TH	Apes	OPTION
Sep Nov	104.85	104.30	104,85 104 108,50 108	.60- 36-	Aluminium (99.7%) (alis		Puts
Jen	112.35	111.00	112.45 112	20	Strike price	S turne Sec	Nov	Sep	Nav
Mar May	118.86 119.00	115.00 118.50	115.30 115. 119.00 118.	30 80	1850	104	97	20	43
Jun	121.00	120.75	121.00		1750 1850	46 15	49	129	92 162

Feb Apr May	133.0 188.0 207.0	128.0 192.4 212.0	188.9 185.0 207.0 205.0	Opening Morning fix	372-37 371.50	2,2	2	29 - 20 29 - 2-20	10 5
		(5) lots of 4		_ Atternoors fix Day's high Day's low	370.70 372-37	27		28.545	
SOYAL	EAN ME	AL E/tonne		•					
	Close	Previous	High/Low	Coins	\$ pric	•	3	equiva	Jan X
Oct Dec Feb	143.00 142.00 143.00	142.50 141.00	143.00 142.00	Mapheleef Britannia US Eagle	382-38 382-38 382-38	77	2	35 2-20 36 7-20 36 12-20	38
Turnov	er 30 (87)	lots of 20 to	onnes.	Angel Krugerrand	360-36 371-37	5	2	35-236 29-251	
FIRSTON	יווע או	MES \$18/mx	fex point	- New Sav. Old Sav.	87-86 87-88			3 k 64	
	Close	Previous	High/Low	Noble Plat	502.95	-510.5	0 3	09.76-3	14.60
Jul Aug	1347 1355	1338 1348	1345 1236 1965 1950						
Oct	1479	1471	1474 1470	Stiver fix	p/fine	GŽ	_	S ots	Idnja
Jen BFI	1377	1515 . 1380	1520 1514	Spot	322.5			22.35	
	er 145 (22			e months	344.85 344.85	i	5	34.20 45,10 68.96	
GRAN	\$ Enonne								
Wheel	Close	Previous	High/Low	LONDON ME	AL D	CHA	NOE TH	ADES	OPTIO
Sep Nov	104.85	104.30 108.00	104.65 104.60- 108.50 108.36	Aluminiam (9			alls	_	Puts
Jen	112.35	111.00	112.45 112.20	Strike price !	2000	800	Nov	Sep	Nov
Mar	118.86	115.00 118.50	115.30 115.30 119.00 118.80	1660	_	104	97	20	43
Jun	121.00	120.75	121.00	1750		46	49	60	92
				1650		15	21	129	162
Barley	Close	Previous	High/Low	Copper (Grad	A D	C	elis	- 1	rits.
Sep	103.55	103.00	103.50 103.30	2350		180	153	27	90
Nov	107.35	106.80	107.35 107.05	2450		114	105	80	139
Jen Mar	110.85 113.75	110.35 113.15	110.90 110.75 113.75	2550		65	59	110	201
Turnovs	er. Wheel		arley 152 (85).	LONDON FOR	TRAC	100 C	FTICH	-	
				Cotice		Sep	Nov	Seo	Nav
F105 (Cash Sett	ament) p/kg	1			_	140.	13	
	Gloss	Previous	High/Low	- 750 800		## 55	64	30	44
		115.0		850		32	80	57	70
A.45	115.5					_			_
Aug	115.5	119.5	119.5	~		Zen.	Dec	See	Dec
Aug Oct Nov	120.0	119.5 120.5	120.0	Cocce		Sep	Dec	Sep	Dec
Oct	120.0	119.5		Cocost 850 900		Sep 40 14	73	Sep 2 11	Dec 44

US MARKETS A SMALLER than expected rise in the U.S. C.P.I. softened prices in the metals, with gold futures (alling 4.50,

basis October, reports Drexel Burnham Lambert Spillover selling pushed eilver down as well. Stop-loss selling sank pletinum below the 500 level basis October. Copper trading was mixed. Comex stocks were down less than expected. In the softs, eugar prices geined from commission house activity efter a choppy session. Commission house liquidation and light arbitrage selling weakened the cocoa market. Coffee trading was slow closing near unchanged levels. The livestocks featured higher belly and hogs due to futures buying on expectations of firmer cash prices near term. Long liquidation shead of the cattle on feed report softened the catt merket. The greins ell advanced but trading volume was lighter then the previous session. Strength in the nearby contracts was noted. Scatte short-covering was the days mein feeture. Cotton trading was quiet while

the orange juice market remained lower. The energy complex was down as trade and local liquidation was seen in front of the August expiration **New York** GOLD 100 troy oz.; \$/troy oz. Close Previous High/Low

372.6

Sep 371.5 376.1 0 0 0 0 0 0 0 0 0	JUI	300.3	3/20	370.0	370.0
Det 373.5 578.1 377.8 972.7 900 900 977.6 382.3 382.1 377.0 900 377.6 382.3 382.1 377.0 900 381.8 381.8 386.4 385.2 384.0 per 385.7 380.5 380.0 387.0 900 385.8 389.5 380.5 383.5 938.5 93	Aug	369.5	373.6	373.6	368.0
New 377.6 382.3 382.1 377.0	Sep				
The Series	Oct				
Total Services 194.6					
for 388.8 384.6 382.0 382.0 383.5 38					
Aug 383.9 386.8 385.0 383.5 **LATRICUM 00 bray oc: \$/troy oz.** **Ciose*** Previous** High/Low*** **Vid 485.5 504.2 \$507.0 480.0 **State 489.8 504.2 \$507.0 480.0 **State 489.8 504.2 \$507.0 480.0 **State 489.8 513.9 \$500.0 \$04.5 **State 489.3 \$13.9 \$500.0 \$04.5 **State 500.0 bray oz: bents/bray oz.** **Close*** Previous** High/Low** **UVER 5,000 bray oz: bents/bray oz.** **Close*** Previous** High/Low** **UVER 5,000 bray oz: bents/bray oz.** **Close*** Previous** High/Low** **UVER 5,000 bray oz: bents/bray oz.** **Close*** Previous** High/Low** **UVER 5,000 bray oz: bents/bray oz.** **Close*** Previous** High/Low** **UVER 5,000 bray oz: bents/bray oz.** **Close*** Previous** High/Low** **UVER 5,000 bray oz: bents/bray oz.** **Close*** Previous** High/Low** **UVER 5,000 bray oz: bents/bray oz.** **Close*** Previous** High/Low** **UVER 5,000 bray oz: bents/bray oz.** **Close*** Previous** High/Low** **UVER 5,000 bray oz: bents/bray oz.** **Close*** Previous** High/Low** **UVER 5,000 bray oz: bents/bray oz.** **Close*** Previous** High/Low** **UVER 5,000 bray oz: bents/bray oz.** **Close*** Previous** High/Low** **UVER 5,000 bray oz: bents/bray oz.** **Close*** Previous** High/Low** **UVER 5,000 bray oz: bents/bray oz.** **Close*** Previous** High/Low** **UVER 5,000 bray oz: bents/bray oz.** **Close*** Previous** High/Low** **UVER 5,000 bray oz: bents/bray oz.** **Close*** Previous** High/Low** **UVER 5,000 bray oz: bents/bray oz.** **Close*** Previous** High/Low** **UVER 5,000 bray oz: bents/bray oz.** **Close*** Previous** High/Low** **UVER 5,000 bray oz: bents/bray oz.** **Close*** Previous** High/Low** **UVER 5,000 bray oz: bents/bray oz.** **UVER 5,000 bray oz: bents/					
Close Previous High/Low VI 485.5 504.2 502.0 490.0 VI 485.5 504.2 507.0 480.0 VI 485.5 513.9 506.0 504.5 VI 493.3 517.3 505.0 505.0 VI 502.8 50.7 0 0 VI VER 5,000 Iroy oz; bents/troy oz. Close Previous High/Low UI 515.3 524.2 523.0 513.0 VI 515.8 526.0 0 0 VI 502.8 526.0 540.0 540.0 VI 502.8 506.0 540.0 540.0 VI 502.8 506.0 540.0 540.0 VI 502.8 506.0 560.0 560.0 VI 502.8 506.0 560.0 560.0 VI 503.8 540.3 540.0 540.0 VI 504.8 570.5 550.0 560.0 VI 506.8 570.5 550.0 560.0 VI 506.8 570.5 550.0 580.0 VI 506.8 570.5 550.0 580.0 VI 506.8 570.5 560.0 580.0 VI 506.8 570.5 500.0 580.0 580.0 VI 506.8 570.5 500.0 50					
Close Previous High/Low Vf 485.5 504.2 502.0 490.0 Oct 489.8 509.2 507.0 482.0 In 482.3 510.7 507.0 482.0 In 482.3 510.7 507.0 482.0 In 482.3 513.9 508.0 504.5 Vid 499.3 517.3 505.0 505.0 Vid 499.3 517.3 505.0 505.0 Vid 502.8 520.7 0 0 Vid Ver 5,000 Previous High/Low Vid 515.3 524.2 523.0 513.0 Vid 515.8 525.0 0 0 Vid 515.8 525.0 500.0 520.5 Vid 525.3 530.5 530.0 520.5 Vid 532.8 543.0 542.1 535.8 Vid 547 554.2 553.0 548.0 Vid 582.5 542.2 553.0 548.0 Vid 580.8 570.5 552.0 562.0 Vid 580.8 570.5 582.0 588.0 Vid 580.8 570.5 582.0 582.0 588.0 Vid 580.8 570.5 582.0 588.0 Vid 580.8 570.5 582.0 582.0 588.0 Vid 580.8 570.5 582.0 588.0 Vid 580.8 570.5 582.0 582.0 588.0 Vid 580.8 570.5 582.0 588.0 Vid 580.8 570.5 582.0 582.0 588.0 Vid 580.8 570.5 582.0 582.0 588.0 Vid 580.8 570.5 582.0 588.0 Vid 580.8 570.0 570.					49.5
tri 485.5 504.2 502.0 490.0 ct 489.8 508.2 507.0 480.0 cm 482.3 510.7 607.0 482.0 cpr 498.5 513.9 508.0 504.5 ct 502.8 513.9 508.0 504.5 ct 502.8 520.7 0 0 ct 502.8 520.0 505.0 ct 502.8 526.0 0 0 ct 502.3 505.5 530.0 520.5 ct 502.3 505.5 530.0 520.5 ct 502.3 505.5 530.0 520.5 ct 502.5 540.3 540.0 540.0 64	PLAT				
CE 489.8 508.2 507.0 488.0 am 482.3 510.7 507.0 482.0 am 482.3 510.7 507.0 482.0 bm 489.3 510.7 507.0 504.5 cm 489.3 517.3 506.0 504.5 cm 489.3 517.3 506.0 505.0 cm 502.4 520.7 0 0 cm 502.4 520.7 0 0 cm 502.4 520.7 0 cm 502.4 520.7 cm 502.4 520.7 cm 502.4 520.7 cm 502.4 520.0 513.0 515.8 526.0 0 0 cm 502.3 530.5 530.0 520.5 bbc 533.6 543.0 542.1 535.8 an 539.5 540.3 540.0 540		Close	Previous	High/Los	
am 482.3 510.7 697.0 482.0 ppr 495.8 513.9 508.0 504.5 ut 499.3 517.3 505.0 505.0 ct 502.8 520.7 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	וטו				
per 495.8 513.9 508.0 504.5 bit 493.1 517.3 505.0 505.0 bit 502.8 520.7 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Oct				
Section Sect	Jan				
Cit 502.8 520.7 0 0 EVER 5,000 troy oz: bents/troy oz. Close Pravious High/Low ul 515.3 524.2 523.0 513.0 sig 515.8 525.0 0 50.0 sep 521.3 530.5 530.0 520.5 sec 533.6 543.0 542.1 535.8 sec 544.7 554.2 563.0 545.0 sec 547.554.2 563.0 545.0 sec 547.554.2 563.0 545.0 sec 548.6 570.5 562.0 562.0 sec 578.6 690.0 588.0 588.0 INDICES REUTERS (Base: Soptember 18 1931 = 100) July 18 July 17 mrsh ago yr ago 1938.0 1940.2 2020.3 1967.0 DGW JONES (Ease: Doc. 31 1974 = 100) Spot 130.90 130.16 133.61 136.44	Apr				
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Chicago Clase Previous High/Law 111.30 SOYABEANS 5,000 bu min; cents/60lb bushe 110.30 109.70 108.50 104.50 109.00 108.50 109.00 104.00 Previous · High/Low 727/4 687/4 648/4 630/0 636/6 644/2 648/0 695/4 674/0 636/4 620/2 627/2 635/0 641/0 CRUDE OIL (Light) 42,000 US galls E/barrel Latest Previous High/Low 20.01 18.59 19.13 18.85 18.65 18.50 18.36 18.37 18.21 18.72 19.22 18.93 18.74 18.62 18.54 18.48 18.42 10.52 19.62 10.82 20.02 20.44 20.56 20.96 21.17 HEATING OIL 42,000 US galls, cents/US galls Latest Previous High/Low SOYABEAN MEAL 100 tons 191.5 191.0 191.0 190.5 COCOA 10 tonnes;\$/tonnes Previous High/Low 1299 1323 1335 1350 1378 1363 1408 1298 1317 1330 1345 1315 1315 1333 1345 1356 1386 1373 1415 1329 1340 1351 Previous 254/2 242/0 238/6 245/6 249/4 249/4 246/2 238/2 236/4 243/6 247/4 247/4 Clase Previous High/Lov 88.25 89.40 82.00 95.00 96.75 98.50 87.25 88.77 91.51 94.39 96.20 197.70 Jul Sep Dec Mar May Jul 380/0 394/2 405/4 406/4 388/0 356/4 367/4 380/2 401/6 402/6 385/4 354/4 SUGAR WORLD "11" 112,000 lbs; cents/the Previous High/Low 14.65 13.30 13.66 13.42 13.20 13.00 72.67 73.96 75.52 74.37 72.87 73.85 72.76 71.15 Aug Sep Oct Dec Feb Apr Jun Aug 73.95 76.45 74.22 72.85 73.80 72.00 70.85 COTTON 50,000; cents/lt LIVE HOGS 30,000 lb; cent High/Low 74.10 74.88 75.36 76.70 76.76 70.00 66.50 74.25 75.00 75.55 76.69 75.95 70.80 68.80 74.25 74.77 Close 48.02 45.70 40.05 42.00 43.65 41.17 46.27 46.70 Aug Oct Dec Feb Apr Jun 47.47 ORANGE JUICE 15,000 lbs; cents/lbs Close Previous High/Lov 151.70 148.30 145.60 144.00 165.00 144.80 148.10 144.50 144.00 143.05 146.50 0 164.00

746/0 698/0 655/0 634/0 640/0 647/4 681/4 708/0 660/0 641/0 826/0 634/0 642/4 646/0 SOYABEAN OIL 60,000 the; cents/th High/Lo 20.02 20.35 20.66 20.96 21.20 High/Lox MAIZE 5,000 bu min; cents/50tb bushel 254/4 242/4 240/0 245/0 250/0 251/0 WHEAT 5,000 bu min; cents/60/b-bu High/Los 48.05 45.85 40.30 42.50 43.75 41.45 46.36 46.70 PORK BELLIES 40,000 fbs; cents/fb 29.02 28.10 47.57 41.40 42.65 43.00 28.27 27.60 41.92 41.87 43.10 43.60 29.20 28.95 42.37 42.25 43.40 43.92 28.45 27.52 41.66 41.40 42.65 43.00

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1926.2

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Basis 100 Govt. Seca 15/10/26, Flood int. 16 Ordinary 1/7/35, Gold minus 12/9/55, Basis FT-SE 100 31/12/53. \$\times \text{IN} 12.04

Gitt Edged Bargeins 74.3 88.6
Equity Bargeins 199.2 246.8
Equity Value 2397.3 2702.
5—Day average
Gitt Edged Bargeins 01.0 95.2
Equity Bargeins 248.9 3314.
SE Activity 1974 (Excluding large-market business. London Report and latest Share index: Tel. 0868 123001

S.E. ACTIVITY

Gift Edged Bargeins

(17/2) (15/2/83) (26/10/71)

(28/11/47) (3/1/75)

2443.4 986.9 (16/7/87) (23/7/84)

74.3 89.6

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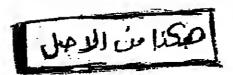
95.21 (13/5)

(3/2)

99.50

49,10

(3/1/75)



LONDON STOCK EXCHANGE

Renewed buying interest in equities

The UK equity market resumed its upward march yesterday as seemingly endless speculation of yet more big break-np/takeover bids produced strong rises throughout first and second line stocks.

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Tuesday's bout of nervousness triggered parily by the public sector borrowing requirement figure and worries about Wall Street's response to the poor US trade figure for May, was forgotten as the FT-SE 100-share index regisrr-sis 100-snare index regis-tered a 19.4 advance to a post-crash closing high of 2,292.5. The Footsie has now risen on eight of the last nine trad-

ing sessions which have

Aug-10 Aug 7 Aug 2t

rates, the bid for BAT Indus-tries and encouraging eco-nomic data from the UK. There was a certain amount of uncertainty in the market at the outset of trading yesterday following Wall Street's performance on Tuesday and some concern about the possible sion of trading in shares of Kentish Property, the London docklands housebuilding group which announced a sharp downturn in sales.

But this initial concern proved short-lived as confirmaion of a second big takeover in the property market that of British Aerospace for Arlington Securities — and a series of other speculative takeover stories led a sharp revival in market sentiment. This was reinforced by Wall Street's encouraging early perfor-

Among the best performers in the FT-SE 100 list was British Aerospace which moved higher on hopes that the UK anthorities will agree to a European Commission decision that overseas holders can own. up to 29.5 per cent of the company's stock, compared with the previous restriction of 15 per cent.

Glazo featured with a sharp rise on talk of European/US links while American buying gave a strong boost to Jaguar.
Takeover speculation was
again focused on the foods
arena with Cadbury Schweppes
prominent. There was also talk that a big takeover could be imminent in the building sec-tor where Marley and Blue Circle made notable progress. P & O also drew strong support,

the company will get a good price for its Thistle Hotels

H P Bulmer, the cider makers, tumbled 12 to 175p after reporting a 35 per cent drop in

A view that the next large bid would be directed at the

construction sector produced all-round firmness with the notable exception of house-building issues. AMEC, 473p, RMC, 751p, and Blue Circle,

564p, all scored good rises while Meyer International

jumped 11 to 39cp. Tilbury was

one of the rare dull counters, reacting 10 to 655p after news that John Govett & Co had accepted the Lilley offer in respect of 2.85m shares (14.1

per cent) out of its holding of 3.59m shares (17.7 per cent)

Citicorp Scrimgeour Vickers' advice to shareholders of Coal-

ite to accept the cash hid from

Anglo United pushed Coalite shares up 14 to 464p. Specula-tive support raised Plysu 18 to

Dixons featured among

ostly firmer stores, climbin

8 to 163p on turnover of 10m shares. The stock performed badly before last week's poor annual figures, but since then has showed remarkable resil-

lence in spite of a host of bro-

kers' sell recommendations. At the moment dealers can find

little reason for Dixons' strength, spart from signs of growing overseas interest in

There was good trade in

Sears, up 4 at 134p on 8.6m shares. Interest in the stock

has been ravived by the hid for

BATs, say dealers, who believe Sears would be a prime target for Goldsmith style "unbundi-

ing".
A rare decline was posted by Next, a shade easier at 148p. Hoare Goyett had lunch with

the company, and the news was that Next thinks the our-

rent difficult trading condi-

tions are unlikely to improve until late 1990 at the earliest.

Hoare will not be changing its

profits forecast for the group because it already stands near

the bottom of the range at

£85m for the year to January

by takeover talk. Favourite was that Plessey would make a

bid as a poison pill defence

against another takeover attempt from GEC and Sie-mens. Another was that the West Germany's other com-puter giant, Nimbor, wanted to

Buy STC subsidiary ICL.

Racal and Cable & Wireless
were among the FTSE 100's
few weak stocks, on fears of
increased competition in
mobile communications from a

consortium involving Plessey, GEC and BellSouth, of the US.

hacal Electronics and C&W both slipped 9 to 421p and 514p. respectively. Racal Telecom shed 22 to end at 364p.

STC continued to be buoyed

the shares,

under management. .

year end profits to £10.15m.

again partly on takeover hopes and but also on a buy recommendation from a leading broker. Life assurance stocks raced higher in active trading. Senior traders at some of the leading London houses agreed that yesterday's market was driven by speculation. "I've never known so many bid stories at the same time, but you cannot ignore them if they are

accompanied by buying orders," said one senior sales-man Another said: "The over-weight-in-cash-camp is being hurt by this, said another.
Turnover picked up with
801m shares traded, compared with Tuesday's rail-strike

Speculative buying of Cadbury Schweppes showed no signs of abating. Shares rose a further 16 to 459p on turnover of 85m. The talk in the market was that last Thursay's sharp rise in the stock had forced a planned raid on the shares, scheduled for the following morning, to be postponed. That raid, probably on behalf of Swiss group Jacobs Suchard, is said to be still in the pipeline, and few market professionals are willing to go short of the

Retailers remained attractive to investors, Argyll leading the sector with a rise of 9 to 233p on busy volume of 8.5m shares There was equally sprightly trade in Asda, 4 better at 1930 on turnover of 6m shares; the stock remains the takeover favourite in the retailing sec-

tor, said dealers. Harland Simon jumped 72 to 620p after posting a 64 per cent profits increase to £5.5m. There was also speculation that the company would be subject to a takeover bid from its 25 per cent shareholder, Mountain

. The market reacted a day late to the announcement of De la Rue's sales of its Crosfield subsidiary. Analysts had iden-tified the erratically perform-ing Crosfield as the main reason for any purchase of De la Rue. Its sale removed much of the bid premium on the stock,

down 29 at 325p.
Further consideration of the merger of funerals businesses Hodgson Holdings and Kenyon with a French group weakened stocks. They dropped 8 to 164p and 25 to 163p respectively. Chemicals company Groda jumped sharply "after hours" to touch 222%p, up 15% on the Trading volume in major stocks Regal Str of Scotland. Regal Seasons: ST. Sanchi & Seaschi Saladary Scott & Honzaeth: eres estatus errecerta estatus errecerta estatus errecertares errecert n Fresk

FINANCIAL TIMES STOCK INDICES

85.50

10.05 11.98

31,A19 1337.01

1 p.m. 2291.1

Day's High 1908.1

1 p.m. 2 p.m. 1903.3 1906.4

Day's High 2298.3

10.05

41,203 1749.58 43,099 737.3

2 p.m. 2292.0

10.15

11,42

Day's Low 1879,7

3 p.m. 4 p.m. 1902.9

Day's Low 2268.9

3 p.m. 4 p.m. 2290.2 2296.3

10.04

12 p.m. 1902.5

was being built. The continuing strength of European car sales and increasing indications that,

Ord. Div. Yard Serning Yid %(full) P/E Ratio(Net)(*)

FT-SE, Hourly chang

Open 10 a.m. 11 a.m. 1879.7

10 a.m. 2276.5

despite forecasts to the contrary, they are heading for the fifth consecutive record year was a tonic for motor compo-

Lucas Industries, bnoyed additionally by reports of a European joint venture with Sumitomo Electric Industries of Japan, advanced 14 to 664p. Sumitomo declined to confirm or deny the reports, and would say only that it was seeking a European partner to make car parts ahead of the integration of European Community mar-

kets in 1992. Good gains were also made by GKN, up 9 at 431p, and TAN, which drew above-averwhile Dowty bounded 11 to

Hopes of good first-half results next Thursday gener-ated buying of Wace which found the market short of stock. The upshot was the shares rose 23 to-419p.

P&O was favoured by investors seeking conglomerates with undervalued assets and a possible target for a leveraged buy-out. Vague talk of a dawn raid accompanied the upturn which left the shares 19 higher News that brokers County NatWest WoodMac and Laing and Cruickshank had jointly placed Clyde Petroleum's near 18 per cent etake (23.83m shares) in Goal Petroleum

with a number of institu-

tions" saw the latter's shares retreat 7% to 104%p. Mr Peter

Hutton said "the fact that Clyde couldn't find a corporate buyer vindicates our view that Goal is overvalued."

Hitchens at Shearson Lehman

There was big turnover in the front-line energy stocks. BP, up 3% at 308%p, attracted turnover of 21m shares amid talk that a UK institution had bought a line of 5m. Dealers were also taking the view that the stock had lagged behind the market and that some keen interest could be triggered by the forthcoming analysts' visit to BP's Alaskan operations which starts on July 31. Shell put on 7 at 433p on 4.4m, while British Gas rose 2% to 188%p

■ Other market statistics. including FT-Actuaries Share Index and London

Traded Options, Page 26

encompassed lower US interest Heavy trade in Jaguar

Speculators swooped on Jaguar yesterday and the luxury car manufacturer soon became the subject of market rumours ranging from stakebuilding exercises, a takeover attempt by an oversess rival and the possibility of a management buy-out. Heavy trading resulted and the shares soured to 425p before settling slightly.

below the highest at 420p, up 41 on the session. The rush for the shares began late the previous evening when investors in New York bought Jaguar ADR's heavily amid talk that a lead-ing US house had re-rated the stock. Early yesterday London traders quickly corrected underweight positions and the ensuing intra-market business encouraged speculative enthu-siam, which gave momentum to the rise. The rumours were born out of the market's inability to find credible reasons for the strength, said one analyst.

Most thought the stories of a European, US or Japanese car manufacturer building up a shareholding were false. Jag-uar could detect no evidence of it, and were just as mystified as researchers by yesterday'a heavy turnover in the shares of

Limit needs raising Rolls-Royce and British Aerospace advanced strongly:

after the European Commission said it wanted to see the 15 per cent limit on the foreign shareholding of Rolls raised to 20.5 per cent: Bhe has a similar limit. Sentiment in Bhe was also helped by bullish comments by the company on the prospects for the civil side of the business; and the confirma-tion of an agreed offer for prop-erty developer Arlington Secu-rities. That deal had been discounted in the market for

several weeks. While marketmakers felt that the Commission's announcement would underpin smouncement would underpin the Rolls price. Mr Ian Wild, analyst at BZW, played down its impact. Mr Wild, who last week...cut. his. forecasts for Rolls' profits, said: "it will be at least six weeks before an egm can change the articles of association to raise the limit. The foreign holding has been below the 14 per cent for sevbelow the 14 per cent for sev-

ment is no reason to buy the Another top analyst was more optimistic. "A rise in the limit would be better for Rolls then Aerospace," he said, "For-eigness know the name, they like long order books and the yield is better than many of their domestic issues."

Rolls jumped to 199p before subsiding by the close to 195p, still a net increase of 5 and in heavy trade of 10m shares. BAe touched 745p but closed at 74in still up 70 on the day at

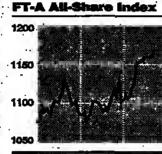
741p, still up 20 on the day, as . 2.8m shares changed hands.
Pharmaceutical majors advanced across the board in what dealers described as a catching up of the two-week bull market.

Glaxo led the way with wide spread suggestions that the company was in merger talks with US drugs giant Squibb. Mr Robin Gilbert, of James Capel, said that the suggestion had some credibility. He pointed out that there are four pointed out that there are four pharmaceutical industry mergers currently under way, of which the largest is between Beecham of the UK and SmithKime Beckman of the US. "A lot of thought is being given to economies of scale," he said, adding that three members of Clerc's bearing are as Smith. Glaxo'a board are ex-Squibb men, including Mr Ernest Mario, the new chief executive. Other analysis, however, said the idea was an unlikely one. Mr Steve Plag, at BZW, for one, argued that such a move would be contrary to Glaxo's stated policy. Glaxo closed at 1426p, up 34 on the day, and 8 below

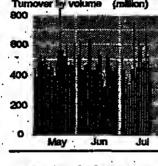
Fisons, and Wellcome also did particularly well, up 9 and 15 to 326p and 458p respec-

BAA advanced 8 to 355p on US buying. Dealers said that the company was in the midst of making presentations to US institutions. Turnover was 6.9m shares.

Life insurers were in buoyant mood, helped by some good new business figures and hopes that Peaul Assurance would be bid for by 18 per cent shareholder, AMP, the Austra-lian insurance group. Pearl-ended 35 higher at 527p. The figures for new life busi-ness in the first half of the year came from Britannic, up 10 at 4889 on a 15.5 per cent rise in new premiums, and London & Manchester, up 14 at 307p on an 11 per cent improve-



Equity Shares Traded Turnover y volume (million)



on Monday, broker Kleinwort Renson has changed its esti-mate of worldwide new busi-ness production for the year. Having forecast a 6 per cent fall, Riemwort is now looking for a 1 per cent rise from Legal, which it still rates a buy. While clearing banks slum-

current round of corporate activity. S G Warburg jumped 14 to 374p - the bank was 14 to 374p — the bank was adviser to Isosceles in its recent successful battle for the control of supermarket group Gateway — Hambrus, adviser to the consortium bidding for BAT Industries, rose 7 to 230p. and Kleinwart Benson added to at 318p.

10 at 318p.
Scottish & Newcastle main. tained the previous session's rise, adding a further 9% at 375%p on turnover of 5.5m shares. The talk on Tuesday was that Australian group Elders IXI had passed on its near 24 per cent stake to a prospective Canadian hidder, but Elders was reported to have said that it had not sold any shares in Scottish. Dealers are now more inclined to mark the brewer's price up and investors

ment in new premiums. Also firmer were Legal & General, up 12 at 357p. In the wake of Legal's new business figures. to buy the stock on hopes that

NEW HIGHS AND LOWS FOR 1989

APPOINTMENTS

BANKS (1985).

RANKS (2) SHEWNES (1) BUILDINGS (2)

CPAL Dougles (24) LLCC (1) BUILDINGS (2)

CPAL Dougles (24) ELECTRICALS (2) BUCG,

Druck, Euroinerm Infl., Herland Simon,

Infl. Colour, STC, Sonstrank, United,

Belling (2) Leukes (2) Leukes (2), Brossprove

Infl., Davy, Duke, Downlebras, Endie, GEI

Infl., GRA, Herland Siddeley, Hill & Smite,

Infl., Bid, Heldes, Powersurean Infl., Henoid,

Robinson (T.), Seville Gardon, Sicon Eng.,

Sixvelley Inde., Ti Grp., Tellou, POODS (6)

HOTELS 49 SHORTHALS (24) ATI

Abbeycrast, Alexander W. Kowan, Alfe-Lavel

AB. St. Asson, Brf. Ports, Avid Burope,

BBA, Brapat, Bissa Arrow, Gris, Asrospess,

BRIL Vin, Chrisdes Infl., Clorogen Ro.,

Community Hosp, Grp., Coolson, Dyson

(Li. J.), Floure, Johnson Master, Man.,

Nolen, Reparet (4), Stebs, Stes, Bus., Grp.,

Standard, Syltoms, T. & N., Thoday (Eliza),
Totaldine, Toothid (R.W.), Transport Devi.,
Whatman Hausey, Workshopton (A.J.),
SHEUMARCE 69, Allesse, Britannic, Corons,
Unico, Com. & Gen. Grp., GFE, Peart,
Pruchestal, Redugs, Libraume (1) Morrous
49 Cactral Motor Auchs, FR Grp., Jegusz,
Lisos, Membraphers (1) PAPERS (4)
PRICEPRATY 64, SPERMON (1) TEXTLES
50, TRUSTS (40) CALS (5) THIND MARKET
(1).

bered, merchants showed strong rises in anticipation of the benefits to come from the

(1).

SCOT LOWE (48).
AMERICANE (1) CARADELINE (1) BADECE
(1) SULLENING (2) STORME (1) EXECTING
(2) SECONTRIBLE (8) AVON PRUDEC, GPR.
BLOOMSOLK, Christoppes GPp., Creighton
Labe., Ferner (LFI), Midt (Arm, Cartwood
gsp., Visabrase, LEBURE (2) MOTIONS (3)
PAPEZE (3) PROPERTY (2) MOTIONS
(7) CRES (1) MINES (3).

(3) CRES (1) MINES (3).

Phr many and another an artist to the second of FINANCIAL TIMES CONFERENCES

WORLD MOBILE COMMUNICATIONS IN THE 90s

LONDON 11 & 12 October, 1989

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Mr John Shelby Bryan

Mr Robert Weisshappel Matorola Inc

Mr Richard Hooper PA Consulting Group

Mr Andrew Glasgow, obe Marconi Communication Systems Ltd

Mr John P Cummings

Mr Robert Priddle Department of Trade and Industry

Mr Roland Mahler Deutsche Bundespost

Mr Michael Gordon BIS Mackintosh Ltd

Mr Antti Lagerroos Noide Corporation

Mr Kouhel Nishino Nippon Telegraph & Telephone Corporation

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Securities designated (SE) and (USM) are dealt in subject to the rules and regulations of The Stock Exchange. Other securities listed above are dealt in subject to the rules of TSA

These Securities are dealt in strictly on a mutched burgain basis. Neither Granville & Co Lipsing nor Granville Duvies Limited are market, makers in these securities

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HILL SAMUEL OVERSEAS FUND SICAV Lexembourg, 11, sue Aldringer R.C. Luxembourg n° B 8422

is hereby given that an Extraordinary General Meeting of Shareholders will be beld at the registered office at 11, rue Aldringen, Luxembourg on August 4, 1989 at 2.30 p.m. in order to resolve about the following:

Amendment of the articles, including amendment of article 3 to intent the word strausferables before the word securities in the first paragraph and to replace the reference to the law of August 25, 1983 by that to the law of March 30, 1988 in the second paragraph, as well as other amendment to articles 2, 3, 5, 8, 11, 12, 13, 15, 16, 18, 20, 21, 22, 23, 24, 25, 27, 28, 29 and 30 required or permitted by the law of March 30, 1988 and by applicable securities laws of Hong Kong to adjust the articles to provide for Indefinite duration of its life of the Corporation, to provide for two classes of shares one of which shall be entitled to dividends whereas in respect of other classes the corresponding amount shall be retained by the Corporation for the benefit of such class and to take into account certain changes of general company law and to make some further amendments to article 22. Shareholders are advised that a goorum of one half of the shares out-

Shareholders are advised that a quorum of one half of the shares out-standing is required for the holding of the meeting and resolutions will be passed by an affirmative vote of two thirds of the shares present or repre-

Proxy forms containing the full wording of the proposed amendments are available upon request at the registered office. In order to be valid proxy forms duly completed must be received at the registered office on July 31, 1989 at 5 p.m. at the latest.

LG INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W OBD Tel: 01-828 7233/5699 An AFBD member Reuters Code: IGIN, IGIO FT 30 Jul. 1906/1915 +24 | Jul. 2296/2306 +25 | Jul. 2572/2584 +28 Sep. 1924/1933 +25 | Sep. 2318/2328 +25 | Sep. 2586/2598 +28

Prices taken at 5pm and change is from previous close at 9pm

Changes at Citicorp Insurance

m Mr David Woodward has been appointed chief executive of CFFICORP INSURANCE of CFTICORP INNUITANCIS
HOLDINGS, London, and head
of Citicorp's global insurance
brokersge businesses. He also
becomes a director of Citicorp
insurance Brokers. He was president and chief operating officer of Reliance Insurance, Philadelphia. Mr Brian Marsk has been appointed chairman and chief executive of Citicorp Insurance Brokers. He also serves as chairman and chief executive of Nelson, Hurst & Marsh Holdings, recently acquired by Citicorp Insurance Holdings, of which Mr Marsh has been elected a director. Mr Edward Hahn has been arpointed chief operating officer and director of Citicorp Insurance Holdings. Mr Peter Carlson has returned to New brokerage businesses in 19 countries. He remains a director of the UK insurance

Mr Pat Turnbull has been appointed chief executive officer of Charles Fulton Equity IDB, which has changed its name to GARBAN EQUITIES, following its acquisition by MAI, it will be incorporated into Butler Harlow Holdings. Mr Turnbuil set up Butler Securities. Mr

Stephen Raven continues as chairman of Garban Equities.

Mr W.A. Benson has been appointed to the board of MILES 33, Bracknell, He was managing director of Pagitek when it was acquired by the group in 1987.

M Mr Devid Burker has joined the specialist homes division of Ballour Beatly Homes to head new joint venture company, VALLEY PARK HOMES, set up with the Carroll Group to provide 1200 homes on a 50 acre site in Croydon. He was managing director of Stuart Baker

Mr A.K.McL. Young, joint managing director of C.I. DE ROUGEMONT HOLDINGS, has been appointed a director of C.I. de Rougemont & Co.

MOUNT BANKING CORPORATION has promoted Mr D.J. Symends to assistant general manager, and Mr J. Gerratt to manager. Mr B.C. Cairns joins the bank as an essistant general manager. He was a vice president with

Mr Hugh Daniel has joined. TCC GROUP as financial director. He was financial controller at Tyzack &

Bank of America.

I LAPORTE has appointed by Reg Clark as deputy managing director, organic chemicals division. He joins from the organics division of

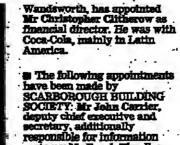


At GREENE, KING & SONS Mr John Bridge, the current chair-man, is to retire on December 31. Mr Simon Redman (above), managing director, will suc-ceed him as chairman, On Jan-nary 1 Mr Timothy Bridge, currently executive director regnerally for mentating from responsible for manketing, free trade and wines and spirits operations, will become man-aging director, succeeding lar

Sterling Drug Inc where he was senior vice president of marketing and business

Mr John R.F. Handelip has been appointed director of personnel for GRC ELECTRONIC METROLOGY SYSTEMS. He was head of remuneration and executive development planning for Lucas worldwide.

= YOUNG & CO'S BREWERY.



systems; Mr Frank Thurlby, assistant general manager (customer services); Mr John Langrick, assistant general manager (finance); Mr Steve Bannister, branch sales Mr Tony Hoskins has joined LEX VEHICLE LEASING as executive director, marketing.

He was marketing director, ■ CPL GROUP has appointed Mr Alan Osbiston as technical director for the CPL fragrances division. He was chief chemist, Fragrance Oils (International).

THE CHASE INVESTMENT BANK has appointed Mr Michael Hooper as an associate director of gilt sales. He was a director of Gerrard and

National Securities.

Ms Paula Kahn becomes chief executive of LONGMAN GROUP, a Pearson company, from January 1. From April 1. 1990. she succeeds Mr Thm Rix on his retirement as chairman and chief executive.

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Intermediary Dealing: 0900 010733

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FINANCIAL TIMES THURSDAY JULY 20 1989 37 No. 1981 - 100

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CURRENCIES, MONEY AND CAPITAL MARKETS

months. It closed in London at

74.79, still well down from

Tuesday's close of 76.07 US

The D-Mark gave up early gains against the Japanese yen, falling to Y74.63 by the

close in London from Y74.85 at

the opening and Y74.68 on Tuesday. Investors are starting to take profits in long D Mark/

short yen positions ahead of this weekend's elections in

FOREIGN EXCHANGES

Dollar retains firm undertone sparked off by a report from Citicorp Scrimgeour Vickers suggesting that the Australian unit could lose 20 per cent of its value over the next two

from Tuesday's closing levels although finishing below its best. The US unit crept up in relatively thin morning trading as investors awaited the release of US consumer prices for June. However, these provided no fresh incentive, rising by 0.2 per cent - a little less than most forecasts.

Traders are now waiting for today's Congressional testi-mony hy Mr Alan Greenspan, chairman of the US Federal Reserve, to the House banking subcommittee.

The dollar was confined to a narrow range for much of yesterday, opening in London on a firmer note, despite modest intervention by the Bank of Japan in Tokyo, and moving above DM1.90 in the morning. It lost a little ground in the afternoon but came back to finish at DM1.9020 from DM1.8935. It was also higher against the yen at Y141.95 from Y141.40, and finished elsewhere at SFr1.6470 from SFr1.6415 and FFr6.4525 compored with FFr6.4225. On Bank of England figures, the dollar's exchange rate index finished at 70.4 from

70.3 on Tuesday.
Sterling finished around the middle of the day's range; its exchange rate index touched a high of 92.5 before closing at 92.4 against 92.2 at the opening and 92.3 on Tuesday. Confi-

2 IN NEW YORK

July_19	Latest	Previous Close
£ Spot	1.6175-1.6185 0.66-0.65pm 1.95-1.92pm 7.40-7.30pm	1.6233-1.6243 0.70-0.66pm 1.90-1.85pm 6.80-6.65pm
Forward pression	ons and discounts ap	ply to the US dollar

STERLING INDEX

July 19 Previous

8.30 am 9 00 as 20 00 am 11.00 am 100 pm 2.00 pm 4.00 pm		92.2 92.3 92.3 92.3 92.4 92.5 92.5 92.4	92.2 92.1 92.3 92.3 92.2 92.1 92.4 92.5 92.3			
CUF	CURRENCY RATES					
July 19	Bank rate %	Special* Drawing Rights	Europeas † Curreccy Unit,			

N/A 179.267 8 85369 151.896 8.23091 2.09586

# Sterling quoted in te † European Commission All SQR rates are for	rms of SDR.am n Calculations. r July 18	ECII.per £.
CURRENCY	MOVE	MENTS
July 19	Bank of England Index	Morgan ^{ee} Guaranty Changes %
Sterifus U.S Dollar U.S Dollar Ganadian Dollar Austrian Schilling Belgian Franc Danish Krone Deutsche Mark Sofus Franc Guilder	72.4 70.4 103.7 106.8 106.1 103.8 113.3 107.0 110.5	-18.8 -7.8 -40.1 -7.9 -5.8 -1.2 +20.9 -16.2 +13.5

1985-1001	Rates are for July. I	8.
	£	\$
Argeotina Anstralia Brazii Brazii Findend Greece Hony Kong Iran KonsalSib Konsals Lonsals Lonsals Anstralia B. Zesland Saudi Ar. Sinspapre S. Af Con Taiwan U. A.F.	1054.00 - 1062.50 2.1680 - 2.1705 3.1070 - 3.1260 6.9153 - 6.9360 762.90 - 268.15 12.6435 - 12.6565 117.407 1079.00 - 1087.76 0.4720 - 04.7530 64.40 - 64.50 4.402 - 4.3535 4.402 - 4.3535 4.300 - 4.3630 6.4300 - 6.7580 6.4300 - 6.7580	650.00 655.00 1.3365 1.3375 1.9180 1.9280 4.2720 4.2740 162.95 1.66.55 7.8020 7.8090 77.00° 665.00 6470.40 0.29430 -0.29480 2.5900 2.2850 2.5900 2.2850 1.7645 1.7675 2.5900 1.9610 1.9615 4.1665 5.80 5.86

MONEY MARKETS

dence in sterling has been sufficient to attract overseas investors at a time when the dollar is lacking any positive direction. UK rates are unlikely to fall in the short term, while investors gain comfort from the Government's repeated determination to use high rates to control inflation for as long as is nec-

The pound closed at \$1.6195 from \$1.6265 hut was unchanged against the D-Mark at DM3.0800 and the yen at Y230.0. Elsewhere, it finished at SFr2.6675 from SFr2.6700 and FFr10.4500 compared with FFr10.4450.

The Australian dollar fell sharply, hreaking through support at 74.80 US cents. The Bank of Australia was active in Sydney selling US dollars, and managed to hring the closing rate back to 74.75 from a low of 74.70 US cents. low of 74.70 US cents.

k of Australia was active sydney selling US dollars, managed to bring the closrate back to 74.75 from a of 74.70 US cents. The wining to risk exposite to an unexpected turn of events. Consequently, the prospect of the D-Mark moving higher to test the psychologically important Y75.0 level may now be some time away. EMS EUROPEAN CURRENCY UNIT RATES						
	Ecu central rates	Currency amounts against Eco July.19	% change irom central rate	% change adjusted for discrepance	Divergence Resit, %	
n Franc : Krore n D-Mark : Franc : Franc : Guilder : Lira : Lira : h Peseta	42, 4582 7, 85212 2, 95853 6, 90403 2, 31943 0, 768411 1483 58 130 000	43,4012 0.04823 2.07272 7.03450 2.33829 0.774974 1499.33 129.904	+2.50 +2.50 +0.69 +1.80 +0.85 +1.06 -0.07	+0.99 +1.27 +0.54 +0.42 +0.38 +0.43	±15424 ±16419 ±11019 ±13719 ±15019 ±16689 ±4.0815	

POU	ND SPOT	- FORWAR	D AGAIN	IST T	HE POU	ND
uly.19	Day's spread	Clase	One month	% pa	Three mostis	2
	1.61-15 - 1.6265	1.6190 - 1.6200	0.68-0.65cpm	4.93	1.98-1.94pm	4.8
da erlands .	1,9230 - 1,9325 3,464 - 3,474	1.9250 · 1.9260 3.464 - 3.474	0.30-0.20cpm 2½-1 ½ cpm	1.56 6.91	0.87-0.730mi 53-55.pm	1.7
URD	64.20 - 64.60	64.40 64.50	33-31cpm	5.96	Ab-R2ner	65 52 42 39 61
art.	11.92 - 11.97 %	11.95 - 11.96	4%-4 Laream	4.45	134-124mm	4.2
d	1.1465 - 1.1550	1.1540 - 1.1550	0.45-0.40ppm	4.83	1.20-1.10pm	39
many .	3.064 - 3.084	3.074 - 3.084	17-14p/mm	7.06	5%-54pm	6.1
لدو	256.20 - 258.10	257.10 - 258.10	13-38c/ks 9-23c/ks	100	117-167ds 50-68ds	-12
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a	21.58-21.65	21.62 21.65	105-91-groum	5.48	331 ₈ -30am	5.8
erland .	266 · 267 4 1.4825 · 1.4870	2.66% -2.67% 1.4855-1.4865	0.63-0.60cpm	7.49	4 ³ 2-4 ³ 2000 1.73-1.60000	4.5

July.19	Day's spread	Clase	One month	%	Three months	% 92.
JK1	1.6145 1.6265 1.055 1.4115 1.1860 - 1.1910 2.1340 - 2.1470 39.60 - 39.85 7.344 - 7.384 1.8920 - 1.903 1.8920 - 1.903 1.896 - 1.915 1.376 1.376 6.42 - 6.454 6.464 - 6.454 6.464 - 6.454 1.10 - 1.42.15 1.384 - 1.42.15 1.384 - 1.42.15	6.45-6.45½ 6.48-6.48½ 141.90-142.00	0.68-0.65cpm 0.05-parpm 0.32-0.35cd% 0.38-0.36cpm 1.50-2.00cpar 0.15-0.40cpar 0.15-0.40cpar 52-62cd% 3.00-3.50fredis 0.85-1.10oredis 0.65cm-parpm 1.23-1.35credis 0.48-0.46cpm 1.00-0.20cpm 0.29-0.26cpm par-0.10dis	4.93 0.22 0.337 0.837 0.22 0.937 0.22 0.937 0.24 0.93 0.93 0.93 0.93 0.93 0.93 0.93 0.93	1.98-1.94pat 0.28-0.186m 1.00-0.966m 7.00-4.56par 0.85-1.05ds 1.00-0.75pat 285-295ds 1.00-11.70ds 3.05-3.55ds 1.00-11.70ds 4.00-2.00ds 4.30-2.70pat 0.88-0.05cap	4.8 4.8 4.3 4.4 4.2 4.2 4.2 4.3 4.3 4.3 4.3 4.3 4.3 4.3 4.3 4.3 4.3

July.19	Short, Lerm	7 Days notice	One Month	Three Months	Stx Months	Year'
erling	144-14 92-91 124-117 7-64 75-74 7-63 9-84 81-84 81-84 54-104 94-94	141-14 91-92-12-12-12-12-12-12-12-12-13-13-13-13-13-13-13-13-13-13-13-13-13-	14.14 91.9 12.40 12.40 12.40 12.40 13.40 13.40 13.40 13.40 13.40 14.40 1	134 11-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1	134-134 84-84 114-7-64 7-4-7-64 7-4-7-64 114-7-64 114-8-6	134 11 7 14 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1

Long term Eurodol	lars: two years 8½-8½ per cent; three contents three contents. Short term rates are call for	rears 8 % -8 ½ per cent; four year:	83-85 per cent; fi
Jenso & - & per news			,,,,, ,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
	EVOUANCE OF	MAC DATES	

		E	CHA	NGE	CRO)\$5	RATE	<u> </u>		
July 19	£	s	DM	Yes	F Fr.	S Fr.	H Fi.	Lira	C S	8 Fr.
Š	0.617	1.620 1	3.080 1.901	230.0 142.0	10.45 6.451	2.668 1.647	3473 2144	222] 1375	1.926 1.189	64.4 39.7
PAR	0.325 4.348	0.526 7.043	13.39	74.68 1000.	3,393 45.43	0.866 11.60	1.128 15.10	7731 9683	0.625 8.374	20.97 280.2
F Fr. S Fr.	0.957 0.375	1.550 0.607	2.947 1.154	220.1 86.21	10 1917	2.553 1	1302	2131 834.7	1.843 0.722	61.67 24.16
H FL Line	0.288 0.449	0.466 0.727	0.887 1.383	66.23 103.3	3.009 4.692	0.768 1.198	1.559	641.2 1000.	0.555 8.865	18.56 28.96
C S 8 Fr.	0.519 1.552	0.841 2.514	1.599	119.4 356.9	5.426 16.21	1.385 4.140	1.803	1155 3455	2.988	33.44 100

1-mth 3-mth 6-mth 12-mth 15530 15999 15825 15510 Spot 1.6195 DANS-STERLING Ss per £

London rates higher

UK INTEREST rates continued to rise in London yesterday in what was seen as a move by the authorities to reverse the softer tone just recently in the longer periods. The Bank of England appears to be in no mood to tolerate a build up of optimism about lower rates, regarding such notions as pre-

mature.

Three-month interhank money was quoted at 14-13% per cent compared with 13% 13% per cent on Tuesday as the longer dates. pressure on the longer dates

UK clearing back base londing rate 14 per cost from May 24 was exerted through the large shortages in day to day liquid-ity. The firmer tone also came despite a small improvement

by sterling.
The Bank of England forecast a shortage of around fl,150m. Factors affecting the market included repayment of late assistance and bills maturing in official hands, together with a take-up of Treasury bills draining £862m. Exchequer transactions took out £80m, and banks brought forward balances £50m below target. In addition, there was a rise in the note circulation of £155m.

To help alleviate the short-age, the Bank offered an early round of assistance which comprised outright purchases of £51m of eligible bank bills in band 1 at 13% per cent. Further help came to £203m and

۶.

was made up of £119m of bank hills purchased in band 1 and £4m in hand 2, all at unchanged rates. The forecast was revised to a shortage of £1,200m and the Bank gave assistance in the afternoon of £568m comprising £409m of bank bills in band 1 and £159m in band 2. Late help came to £210m, making a total of

In Frankfurt, the Bundeshank surprised traders by allocating just DM16.8bn at its latest two-tier sale and repurchase tender compared with a maturing agreement of DM18.5bn. Most dealers had expected a larger injection of cash, possibly up to DM20bn cash, possibly up to DM20bn, in order to help commercial banks meet the drain on funds caused by corporate tax pay-

However, yesterday's net However, yesterday's net draining of funds suggests that the Bundeshank sees banks' current reserve levels as being high enough to meet this month's obligations. The Bundesbank accepted hids of DM9.5hn for the 28-day, 6.60 per cent fixed rate tender, and per cent fixed rate tender, and DM7.3bn for the 63-day variable tender at rates between

6.70 and 6.90 per cent. In New York, the US Federal Reserve drained funds from the banking system through five-day matched sale and repurchase agreements. At the time, overnight Fed funds were trading at 94 per cent unchanged from Tuesday.

FT LONDON INTERBANK FIXING CLL.00 a.m. July.193 3 mouths US dollars The firsting rates are the arithmetic means rounded to the searest one-stricesth, of the bid and offered rates for S1fter quarted by the startest to fine reference banks at 11,00 a.m. each northing day. The hanks are National Westminster Bank, Bank of Tokyo, Destucke Bank, Banque Rational de Paris and Morgan Gauranty Trees.

		IONE	Y RAT	ES		
NEW YORK			Treasur	Bills and	Bonds	
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July 19	Overnight.	Gree Month	Two Months	Three Months	Six	Lombard Intervention
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July 19 Overnight 7 days One Month Months Months Year	L	DNDO	N MC	NEY	RATE	S	
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ad Authority Bonds advant Mixt Depts apparty Deposits pager House Deposits acure Milis (Bay) it 34 134 134 134 134 134 134 134 134 134	erbank Bid	15 11	144 13%	134	14 133	135	134
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	R Liaked Dep 81d) D Linked Dep Offer U Liaked Dep 81d	=	=	84 91 813	96	94	94 94

Short sterling vulnerable

ber contract is assuming a

cash three-month interbank

rate in September of 12% per cent compared with 13% per cent last night, and the size of the implied fall in rates is

regarded as being optimistic. West German Government

bonds recovered from early

lows to finish alightly up on the day. Values were marked down sharply during the morn-

LIFFE EVROCOLLAR OFTENS Elan points of 100%

SW2SS FRANC COMM SFr 125,000 \$ per SFr

P85-Sep 0-04 0-04 0-33 1-30 1-30 1-30 1-30

SHORT STERLING futures recovered from the day's lows in Liffe trading yesterday, but the opening and Tuesday's close of 86.45. Even at yesterday's closing rate, the Septemrecovered from the day's lows in Liffe trading yesterday, but still finished down from Tuesday's close. The September price also failed to break above Tuesday's low of 86.40, and, taken with a clear break through major chart support at 86.35, suggests that the con-tract is vulnerable to further

FINANCIAL FUTURES

The September contract finished at 86.37, up from a low of 86.30 but down from 86.39 at

Japan. While the ruling Liberal Democratic Party is not expec-	LIFFE LO 250,000 (MG CBLT LAGs of 1	Fathers 191%	PERK		
ted to hold its current share of the vote, investors are still not willing to risk exposure to an unexpected turn of events. Consequently, the prospect of the D-Mark moving higher to test the psychologically impor- tant Y75.0 level may now be some time away.	Surfice Price 92 93 94 95 96 97 98 Estimated Previous de	Sep 3-47 2-52 1-60 1-16 0-47 0-24 0-12	titiements Bec 3-56 3-09 2-31 1-58 1-28 1-03 0-47 otal, Caffs ; at. Calls 14	Sep 0-05 0-10 0-18 0-38 1-05 1-46 2-34	12 constants Dec 0-34 0-51 1-07 1-36 2-06 2-45 3-25	
RENCY UNIT RATES	LIFFE \$15 \$25,000 to	eng be. Shizke	S)			
% change	Strike	Calls-st	ttiements	Puts-se	tilevets	_

LIFFE LONG COLT FUTURES OF THIS

LONDON (LIFFE)

sted volume 3445 (4117) us day's open loc, 7560 (7695) 95.06 95.04 95.24 95.22 Estimated volume 22605 (18797) Previous day's open int. 39145 (38611)

ated volume 423 (551) No day's open int., 977 (987)

91.44 91.81 91.31 91.64 91.45 92.06 92.00 92.05 92.04 91.91 91.92 Est., Vol., Onc., figs., pot, shown) 8724 (9685) Previous day's open lat., 47508 (47530) High 93,18 93,25 93,30

Estimated volume 3784 (4016) Previous day's open Inc. 15159 (15144) Close High Low Pres. 2333.0 2335.0 2292.0 2293.0 2378.0 2377.0 2377.0 2338.0 Estimated volume 3191 (2586) Previous day's open int. 19119 (1851-9) POCHO-S CHRESTON EXCHANGE)

Low 1,6072 1,5898 1,5720 1,5560

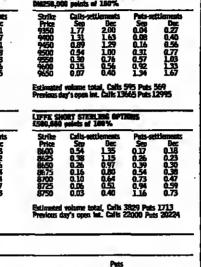
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BASE LENDING RATES

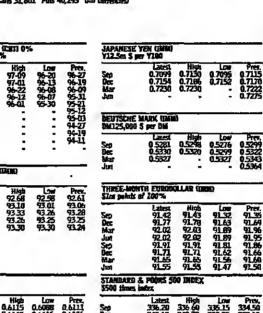
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Heary Assistant		Oprus Popular 8k		PRIVATOZNIKOM Limited.	14
Associates Cap Corp		Contrar Bank PLC	ũ	Provincial Bank PLC	15
Authority Bark		Dancae Lancie	ũ	R. Raphael & Sons	14
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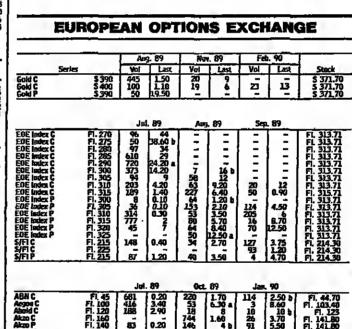
ing after the Bundesbank drained funds from the Frankfurt money market. However, retail interest in the afternoon quickly erased the earlier losses, and the September price came back to finish at 95.23 compared with a low of 95.06 and Tuesday's close of 95.16.

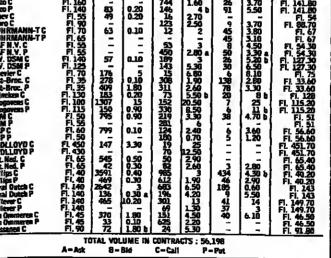
US Treasury bonds moved firmer in very thin trading vol-ume, after a smaller than expected rise in US consumer



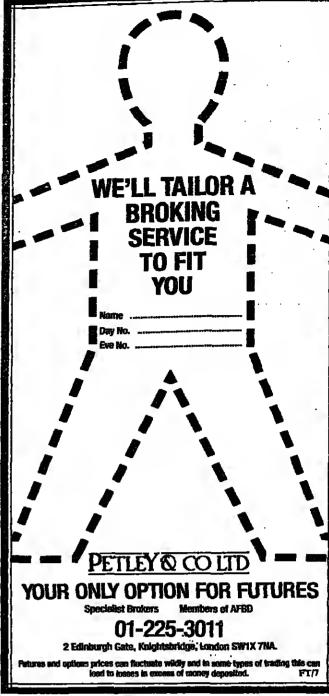
Estimated volume total, Calls 130 Pets 52 Previous day's open int. Calls 5536 Pets 4769 PHELADELPHIA SE C/S OPTIONS E31,250 (cents per E1) CHICAGO

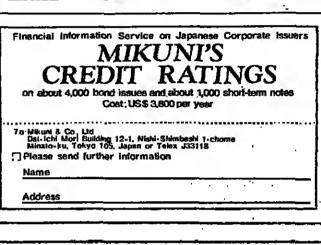






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74	Mortgage 13.25% - 15%



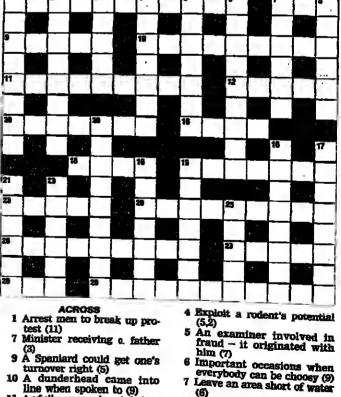


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CROSSWORD

No.6,990 Set by VIXEN



test (11)
7 Minister receiving 0. father 9 A Spaniard could get one's

turnover right (5)

10 A dunderhead came into line when spoken to (9)

11 Awfully mean beast bringing disgrace (9)

12 An article about soldiers,

but not very many (5)

13 Colour of lake (7)

15 Overcharged for a bird (4)

18 A wag showing 5 down the

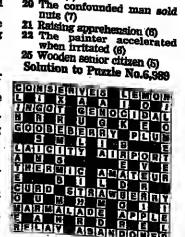
way (4) 20 Plain tea, sure as can be! (7) 23 Spot soft delicate material

(5)
24 The firm many people backed last month got going 26 Dispense with a page troop in anyhow (9)

27 Doctor an animal and cover 28 Big spenders should include a tip (3) 29 Persons of some authority one may well find trying

DOWN

 Here cars may be taken for investigation (8)
 Chinese official, corrupt without and within (8)
3 Tend to hurry up. There's point to that (5)



7 Leave an area short of water
(6)
8 The Cockney lodger is an
artful character (6)
14 Poles destroy a set-up and
beat it! (5-4)
16 Liking both to write and
sing music (8)
17 Lacking capital (8)
18 Forever under a sailor's
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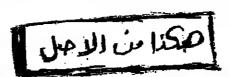
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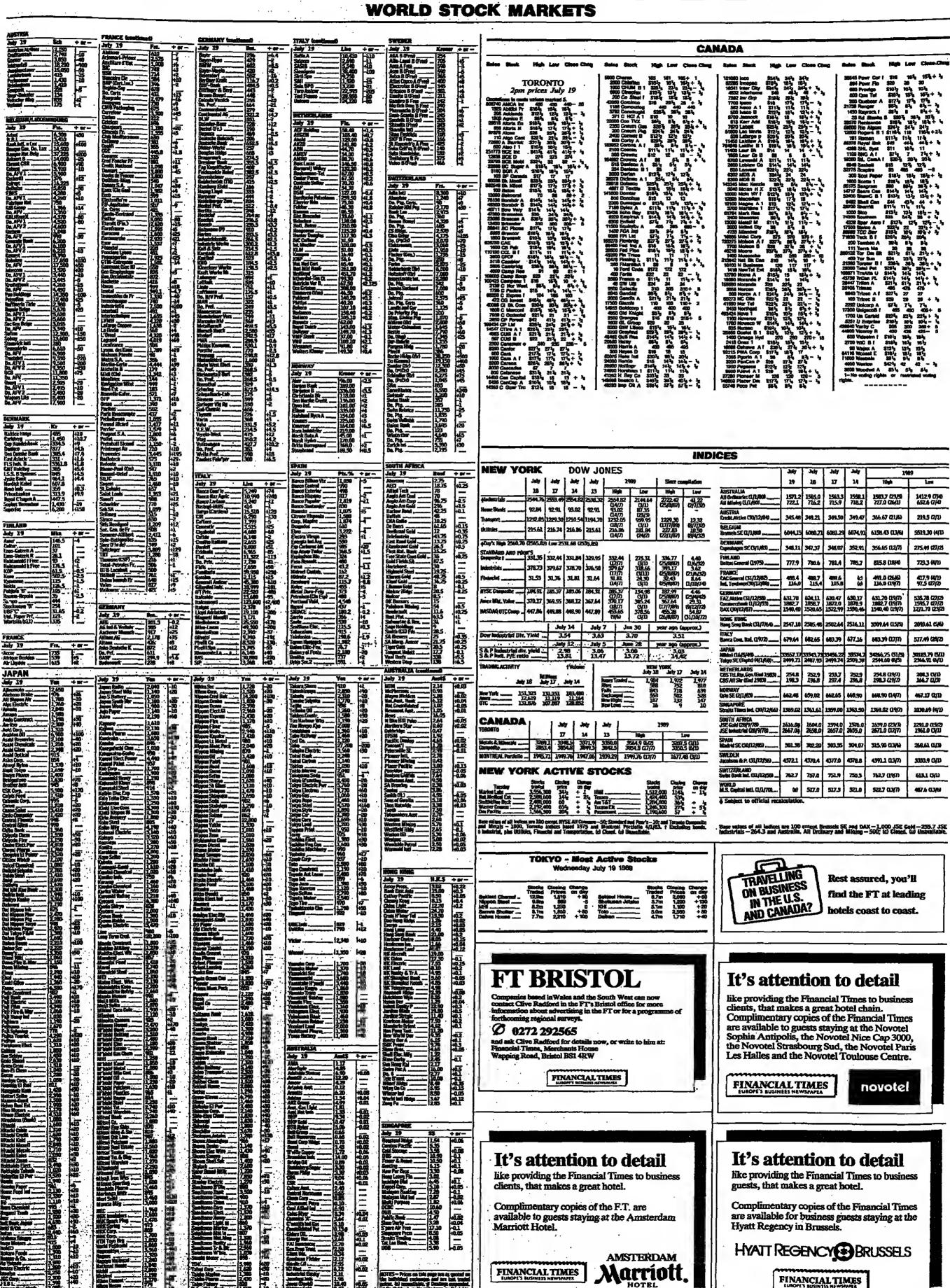
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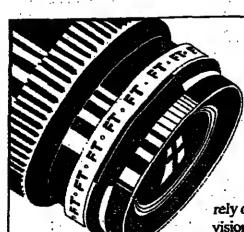
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AMERICA

Dow soars on lower than expected CPI rise

Wali Street

A LOWER than expected rise in consumer prices last month sparked an explosive rally in equities yestsrdsy to post-crash highs on the Dow Jones Industrial Average and within a couple of points of an all-time peak on the broad Standard & Poor's 500 index, writes Janet Bush in New York,

At 2 pm, the Dow was quoted 31.30 points higher at 2,576.06, outstripping by a good margin the post-crash closing high last Friday of 2,554.82. In mid-morn-ing, the Dow had been up by as much as 30 points.

The S&P 500 index was quoted 3.19 points higher at midsession at 334.54 compared with its record peak of 336.77 recorded in August, 1987. Stocks on the American Stock Exchange and on Nasdaq

were also quoted sharply higher at midsession, evidence that yesterday's rally was broad and inclusive of second-

ary stock issues. The Consumer Prices Index rose only 0.2 per cent last month compared with expectations of a 0.4 per cent gain and the 0.6 per cent rise recorded in May. Of equal importance to markets, including the bond market which rallied by more than 1/2 point in reaction, was the fact that the CPI, excluding food and energy, was also only

up 0.2 per cent.
The CPI has taken on great significance in financial markets which are obsessed with the prospects of another easing in monetary policy by the US Federal Reserve. Although the figures were seen as providing the right background for nudging the Fed Funds target down to 9 per cent from 9% per cent

The central bank announced it was draining liquidity from the money market through five-day matched sales, pointing to unchanged policy. The next signpost for the financial markets is today's Humphrey Hawkins testimony before Con-gress by Mr Alan Greenspan, Fed chairman, in which he will outline current thinking on monetary policy and the econ-

Judging from the gradualist approach of this Fed, analysis believe that it could wait to move the Fed Funds rate lower until August, when more eco-nomic data will have come in. The mood of the equity market is very buoyant. Even on Tuesday when most markat measurements fell (as well as

the Dow which also declined

currently, there appeared to have been no move by the Fed yesterday.

on Monday), selling pressure was not acute in spite of worse than expected US trade figures.

One underpinning for the market is that second quarter corporate earnings have not shown any signs of being slowed by the strong dollar so far this year, or by the undonbted slowdown in the economy. Benchmark results from General Electric and IBM have turned out towards the top end of analysts' expecta-

Blue chips were almost all higher. General Elsctric jumped \$1% to \$55%, Philip Morris added \$2 to \$146 and Merck gained \$1 1/4 to \$74. Among featured individual stocks was Tandem Computers which rose \$1% to \$19 after reporting second quarter net income of 31 cents a share, at

the high end of expectations,

leading Asia Pacific markets yesterday, although Seoul

declined sharply.

AUSTRALIA firmed as mining and gold shares were

boosted by a sharp fall in the Australian dollar. London brokers Citicorp Scrimgeour Vickers had predicted the drop on Tuesday; yesterday the Sydney market took this as a signal to him the high resurres comments.

buy the big resource compa-

nies, and companies with extensive offshore assets. Both would benefit from the dollar's

ls forming a leveraged Employee Stock Ownership Plan, and planning a share repurchase.

Honeywell, a rumoured takeover target, added \$% to \$83% after it reported second quarter net income of \$1.73 s share, above forecasts. In over-the-counter trading

Quantum gained \$1 4 to \$23 4 after posting better than expected earnings and Lotus Devel-opment rose \$1% to \$24 after its results came out as fore-

BOOSTED by bullish world stock markets and positive reaction to the small June rise in the US consumer price index, Toronto stocks traded higher through midsession. The composite index rose

this month. Tha gain was fuelled by expectations of good

participation in Friday's gov-ernment land tender and by

strong foreign buying interest.

Property shares rose sharply, followed by the commercial and industrial sectors. Foreign interest came particularly from Taiwanese speculators and one dealer said that overseas buy-

ers seemed to want stock regardless of the price.

SINGAPORE rose in moderately active dealings with

interest focused primarily on

second-line counters and situa-

The Straits Times Industrial

Gains centred on foods, tex-tiles, plastics and banks, and marked a fourth straight day

of rises for the market. SEOUL fall sharply. The

composite index closed at

898.71, down 6.39, in what trad-

ers attributed to a correction

tional stocks.

Swedish broker who sails against prevailing wind

David Bartal meets an island-loving optimist



BROKERS' WORLD

mer months, stockhroker Mats Söderberg moves with his wife and three children to his summer home on a tiny, remote island in the Stockholm archipelago populated by about 20 families. lated by about 20 families.

He commutes to his office in the financial district by private boat, ferry and car — a one-honr journay each way through the picture-postcard islands and skerries which dot this corner of the Baltic Sea.

"The Stockholm archipelago is the most heantiful island.

is the most beautiful island group on earth. I love it. But if I want to have a real vacation, then I have to leave Sweden," Mr Söderberg says, almost sadly. He is always reachable for business purposes at his island home by telephone or

Mr Söderberg is not only atypical in his mode of trans-port: he and his partners have sailed against prevailing winds by recently starting their own firm. Arapt Partners Fondkommission is the first new brokerage to be established on the Stockholm exchange in two

"What we have done is rather unusual, in fact, many think it was foolish to establish a new brokerage when the rate of turnover in securities here is steadily falling," Mr

Söderberg says.

In 1988, the Stockholm exchange had a turnover of SKrilsbn (\$17.7bn), compared with SKr124bn in 1987 and SKr141bn in 1986. Fewer deals are consummated here; during the first quarter of 1989, the

rate of turnover on the Stock-



holm bourse sank from 23 per cent to 18 per cent. One reason for the turnover decline - and the movement of large chunks of Swedish trade to London and New York - is the "puppy tax," a 1 per cent transfer fee on the sale of cent transfer tee on the sale of Swedish stocks and bonds. (It is called a puppy tax because young executives are popularly known in Sweden as finansvalpar, or "financial puppies.")

Mr Söderberg, who has worked as a stockbroker for 19 years at saveral of the coun-

years at several of the country's largest and most presti-gious firms, including Carnegie, Hägglofs and Consensus, believes strongly in Swedish industry and the future.

"You have to be an optimist-to be in this business," he says cheerfully.

He hopes and believes that the days of the puppy tax are numbered. "Because of this tax, most foreigners have no reason to purchase stocks in

Sweden, where it is more expensive," ha says.

However, Mr Söderberg maintains that Swedish brokerages have a better knowledge of the domestic market than the international competition. And foreign institutional investors will also turn to firms in Sweden to acquire a large posi-

tion in a Swedish company, when the required share vol-umes are not available abroad. High taxes also explain why many Swedish brokers are part owners of their firms and receive convertible honds or options as a reward and incen-

The way things work in Sweden, no one wants a very high salary, hecause everything will just be taxed away. This may change in 1991, perhaps, when there is a reform of our income tax system," Mr

Söderberg notes. Like brokerages in most other Western countries. Mr Söderberg's shared office is highly automated, with about 40 computer screens in one large room carrying out a myr-

iad of functions.

Although Arapt is a small almost intimate business and intends to remain that way, the physical facility still has room for a typical Nordic feature; a handsome sauna adja-cent to the bathroom. A sauna can come in handy after an especially stressful, long day with your ear glued to a tele-phone, Mr Söderberg explains.

This article is the third in a weekly series. Brokers in Madrid and Toronto were featured on July 6 and July 13.

ASIA PACIFIC

Nikkei moves up as bargain-hunters return

Tokyo

INVESTORS returned to the market for some cautious bar-gain-hunting after a five-day string of losses, and share prices posted solid gains. Turn-over, howaver. remained extremely thin, writes Michiyo Nakamoto in Tokyo.

The Nikkei average moved up through the day, rising to a high of 33,558.05 before closing 213.44 points up at 33,557.17. The day's low was at 33,243.53. Gains led losses by 573 to 286 while 210 were unchanged.

Turnover was slim at 352m shares, though higher than the 300m traded on Tuesday. The Topix index of all listed shares moved up 11.78 to 2,499.71 and, in London, the ISE/Nikkel 50 index rose 0.39 to 1,994.01.

"People were getting tired of selling," was the reaction of Mr Hiroshi Taguchi at Nomura Securities to yesterday's gain.
Investors were still wary,
with a national election that could rock Japanese politics

economy faded yesterday after

the consumer prices index for June rose by less than expec-ted. Frankfurt responded with

a 1.3 per cent advance, writes Our Markets Staff. FRANKFURT sprang back

year highs in a brisk session. Morning trading was encour-

aged by a positive Bundesbank

statement that it expected the strong growth in industrial

production in April and May to

continue in the second half of the year, said one analyst.

Optimism grew in the after-noon, following the release of US inflation figures, and shares rose across the board.

The DAX index gained 19.75,

or 1.3 per cent, to a high for the year of 1,540.40 and the FAZ index rose 1.23 to a post-

co-operate in a number of busi-

NATIONAL AND

only days away. They have been concerned that if the rul-ing Liberal Democratic Party suffers a major hlow at the election to the Upper House of the Diet (Parliament) on Sun-day, as is expected, there could be damaging repercussions in the currency markets and hence in equities. Even those investors who could not resist the urge to hunt for bargains were only testing the waters

and buying in small lots. None the less, signs of optimism began surfacing. Many people said that Japanese poli-tics is not going to change much, even if the rolling party

takes a severe beating.
Rather than worry too much about potential political difficulties, investors selected issues that could rise if the Japan Socialist Party, the leading opposition, should win

more political clout.

Top among these were housing and related issues, with seven in the 10 most actives list. Such issues were considered "safe" because housing

Frankfurt rebounds after US data

considerations would be close to the top of the Socialists' priority list, analysts said.

Sekisui Chemical led the vol-

traded, and gained Y30 to Y1,510. Although it is a chemi-cal company, Sekisui is also the fifth largest maker of pre-fabricated houses. Shokusan Jutaku, the largest builder of luxury wooded houses, was also actively traded and rose

Sanwa Shutter, which has 50 per cent of the domestic shut-ter market, advanced Y80 to Y1,350 in heavy trading. Sanwa was one of two stocks of the week recommended by a leading broker. The other was Nippon Steel, which was second in volume terms with 9.9m shares traded and lost Y5 to Y859. Interest in housing issues helped Osaka rise after six days of losses. The OSE aver-age added 96.67 to 32,754.62.

Roundup

THERE were gains in all the

The All Ordinaries index overcame a lackinstre opening, gaining 6.2 to 1,571.2. In Lon-don, dealers commented that Index rose 6.69 to 1,368.30.
TAIWAN continued to advance, with the weighted index up 234.95 at 8,799.77.

they agreed the currency was going to fall, but not as severely as forecast by the Citicorp offshoot.
Western Mining Corp added
10 cents to A\$5.70 and the mar-

ket leader, Broken Hill Proprietary, closed 2 cents lower at A\$9.34, recovering from A\$9.22. HONG KONG saw a 41.62 gain in the Hang Seng index to 2,547,10, its second best rise

from recent gains.

SOUTH AFRICA

GOLD shares maintained their recent firmer trend in quist and cantious trading in Johan-nesburg, helped by a steady

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June, 1989

BARCLAYS de ZOETE WEDD

crash peak of 631.70. Turnover was an active DM5.49bn.
Speculative activity led to financial stocks. sharp gains by individual stocks. Metals group Preussag, the snhject of takeover In financials yesterday the insurer Allianz, which is due to report annual results on Mon-day, firmed DM35 to DM2,178. rumours recently, snrged DM12.80, or 4.5 per cent, to DM198.80. The company's

board chairman said on Tuesday that the company was looking to form joint ventures and mentioned the ntility, RWE, as a possible partner.
An analyst said that Preussag and RWE would be able to

tal, transport of oil products, and oil and gas. RWE, which saw some profit-taking, ended DM1.30 up at DM330. Speculation also boosted Nixdorf, which gained DM17 to

FRANKFURT sprang back after two sessions of lower share prices, hitting further an Italian newspaper that the electronics group had bought shares in ICL of the UK.

BMW added DM8.50 to DM602. One reason for the car maker's strength was news that it has found a site for manufacturing components at the unfinished nuclear waste processing plant in Wackersdorf, Bavaria.

Cyclical stocks, which had eased recently, recovered some ground. The analyst said they should rise for the next few days on the back of expectations of good June order figures, attracting some of the excitement that has focused on

PARIS got off to a good start in response to encouraging inflation data from both France and the US, and fin-ished close to its high of tha day. The OMF 50 index rose

1.82 to 502.29 and the CAC 40 by 8.25 to 1,765.65. French retail price growth for June was well below mar-

THESDAY JULY 18 1969

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ent change 19/7/89: Deletion: Alcatel (France).

ket expectations at 0.1 per cent. The slow growth cut France's year-on-year inflation differen-tial with West Germany by 0.1 of a percentage point, helping to bolster the franc and to improve the competitive position of French exports.
BSN closed FFr2 higher at

FFr716, before the market had time to digest news of a major European acquisition. The company has linked with Italy's Ifil to buy the Italian foods group, Galbani. Elsewhere, Pechiney Interna-

tional fell a further FFr4.70 to FFr223 on concern about the FFT223 on concern about the low aluminium price. A specialist said that this movement ignored Pechiney's acquisition last year of the worldwide packaging interests of American Can, which means that the company has an important out. company has an important out-

let for its metal. AMSTERDAM rallied after news of the US consumer price figures. Business remained slack, partly because of summer holidays and partly the expiration of share option contracts on Friday. Volume edged up from FI 680m to FI 689m. Royal Dutch and Unilever

were firm, each rising Fl 1.30 to Fl 143 and Fl 149.70 respec-tively, in line with good senti-ment in the London market. Heineken gained Fl 2.30 to Fl 128 on hopes for the September launch of a new beer. The CBS tendency index

fully reconped Tuesday's losses, rising 1.6 to 190.1.

MILAN eased as profit-taking continued in busy trading.

The Comit index lost 3.01 to

679.64 in turnover estimated at L353bn — active, but less hectic than Tuesday's L452bn. Itil, a unit of IFI, the holding company of the Agnelli family, lost L70 to L6,390. Ifil said after the close that, together with

French food company BSN, it was bnying the Italian food company Galbani. Olivetti, which denied a rumour that it was close to a deal with the UK's ICL, fell L91

to L9,390. MADRID closed lower on another, very quiet day. How-ever, dealers were encouraged to see an increase in volume on the continuous market where Hidrola traded in about 300,000 shares, more than it has seen over the past fortnight, and put on Pta6 to Pta36.

The general index fell 0.96 to 301.38. One dealer said senti-ment wss affected by Tues-day's worse-than-expected US trade deficit.

STOCKHOLM moved higher in relatively active trading, backed by strong gains in blue cacket by strong gains in pine chips. The Affarsvariden General index rose 2.2 to 1273.4, lifted by overnight gains in the US and several positive company analyses. Ericsson free B-shares rose SKr7 to SKr582.

FT-ACTUARIES WORLD INDICES

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REGIONAL MARKETS _			CODAY 40	LT 18 1301			- HONU	AT JULT 17	1900		CLAH DEDE	iX .
Figures in parentheses show number of stocks per grouping	US Collar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Day's change % local currency	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1989 High	1989 Low	Year ago (approx)
Australia (88)	136.71	+0.6	124.61	118.52	+0.3	4,99	135.61	124.53	118.18	157,12	128.28	147.87
Austria (19)	124.70	+0.6	113.67	122.81	-0.1	1.98	123.92	113.80	122.96	127.70	92.84	85.31
Belgium (63)	132.20	+0.8	120.50	129.75	+ 0.1	4.22	131.18	120.46	129.56	137.10	125.58	113.10
Canada (124)	144.86	+0.0	132.05	124.93	-0.1	3.22	144.87	133.03	125.04	144.87	124.67	127.04
Denmark (36)	211.09	+ 1.0	192.42	211.52	+0.2	1.49	209.02	191.94	211.06	218.89	165.35	125.66
Finland (26)	140.65	+ 0.0	128.20	126.22	- 0.8	2.18	140.62	129.13	127.01	159.18	125.81	130.75
France (128)	125.18	+0.2	114.06	126.07	- 0.5	8.01	7 124.88	114.68	126.65	125.95	112.57	90.00
West Garmany (100)	93.38	0.8	85.12	91.92	- 1.0	2.21	93.63	85.98	92.80	95.32	79.56	74.75
Hong Kong (49)	103.88	+0.3	94.69	104.07	+0.3	5.14	103.54	95.08	103.75	140.33	86.41	108.53
ireland (17)	145.32	+1.6	133.37	146.32	+1.2	2.87	143.97	132_21	144.65	151.36	125.00	139.81
Italy (97)	92.08	+0.6	83.93	94.28	-0.2	2.38	91.56	84.08	94.44	92.06	74.97	71.50
Japan (455)	177.28	-0.4	161.59	158.45	-0.5	0.50	177.92	163.39	159.20	200.11	164.22	157.76
Malaysia (36)	189.71	+0.4	172.93	196.03	+0.3	2.45	189.01	173.57	195.53	189.80	143.35	150.88
Mexico (13)	259.45	~29	236.50	712.59	-2.8	0.71	267.22	245.39	733.35	277.40	153.32	159.83
Netherland (43)	124.62	+0.4	113.59	121.43	-0.3	4.26	124.11	113,97	121.79	124.62	110.63	103.80
New Zealand (22)	65.13	~0.4	59.37	60.60	-0.6	6.15	65.37	60.03	61.10	76.02	62.64	79.94
Norway (25)	189.43	~0.2	172.67	179.08	0.7	1.43	189.88	174.36	180.40	198.39	139.92	120.44
Singapore (26)	168.49	+0.4	153.58	151.99	+0.1	1.82	187.88	154.18	151.79	169.33	124.57	131.00
South Africa (60):,	150.86	~ 1.0	137.S1	133.24	+ 0.6	4.04	152.45	139.99	132.50	153.27	115.35	123.91
Spain (43)	151.91	+0.8	138.47	136.78	0.1	3.75	150.78	138.46	136.98	158.17	143.14	146.54
Sweden (35)	176.35	+ G.3	1 60 .75	<i>16</i> 9.31	- 0.1	2.03	175.91	161.54	169.47	177.49	138.45	176.83
Switzerland (63)	85.04	+0.7	77.52	86.54	+0.3	2.22	84.47	77.57	86.25	86.05	67.81	78.84
United Kingdom (311)	152.73	+0.7	139.22	139.22	+0.0	4.21	151.65	139.26	139.26	153.33	133.28	130.44
USA (555)	135.03	-0.3	123.08	135.03	-0.3	3.33	135.44	124.37	135.44	135.44	112.13	109.49
Europe (1006)	125.29	+0.5	115.12	120.19	-0.2	3.43	125.69	115.42	120.45	128.29	112.63	104.16
Nordic (122)	170. 7 3	+0.5	155.62	159.80	-0.1	1.77	169.94	156.06	159.93	174,42	137.95	112. 49
Pacific Basin (674)	172.97	~0.3	157.67	154.90	-0.4	0.73	173.51	159.33	155.57	194.72	160.44	155.39
Euro - Pacific (1680)	154.43	+0.0	140.76	140.94	-0.4	1.63	154.50	141.88	141.45	164.22	141.56	134.92
North America (679)	135.52	~0.3	123.53	134.41	-0.3	3.33	135.90	124.80	134.80	135.90	112.79	110.43
Europe Ex. UK (695)	109.68	+0.3	99.98	108.46	-0.4	2.82	109.35	100.42	108.85	110.42	96.30	87.63
Pacific Ex. Japan (219)	121.31	+0.6	110.58	110.55	+0.2	4.74	120.65	110.79	110.29	137.65	111.93	126.89
World Ex. US (1877)	154.12	~0.1	140.49	140.55	-0.3	1.71	154.22	141.62	141.04	162.77	141.49	134,57
World Ex. UK (2121)	145.88	~0.2	132.77	138,59	-0.4	2.04	145.99	134.06	139.09	147.10	136.98	124.28
World Ex. So. At. (2372)	146.25	~0.1	133.31	138.67	- 0.3	2.23	146.45	134.48	139.13	147.44	136.67	124.82
World Ex. Japan (1977)	131.75	+0.0	120.09	128.63	-0.2	3.42	131.74	120.88	126.94	131.75	114.51	109.05
The World Index (2432)	146.28	-0.1	133.33	138.63	-0.3	2.24	146.48	134.51	139.09	147.47	138.88	124.82